

BULLSEYE MINING LIMITED

ACN 118 341 736



Dear Bullseye Shareholders,

Au Xingao takeover offer for Bullseye

Attached is a copy of the following documents which relate to a takeover offer (“**Offer**”) from Au Xingao Investment Pty Ltd (“**Au Xingao**”) and which Au Xingao has informed Bullseye have now been dispatched to Bullseye shareholders:

- Replacement Bidder’s Statement dated 23 February 2022; and
- Second Supplementary Bidder’s Statement dated 3 March 2022.

Au Xingao has informed Bullseye that these documents collectively set out the current status of the Offer (which, as stated in the Replacement Bidder’s Statement, is open as at 3 March 2022).

Your Board has determined that the Offer is not a superior proposal as compared to the Emerald offer

The Bullseye Board met on the evening of 2 March 2022 to consider the Offer and to determine whether it was a superior proposal as compared to the takeover offer for Bullseye which has been made by Emerald Resources NL (“**Emerald**”). As you would be aware, Bullseye and Emerald are parties to a Bid Implementation Agreement (“**BIA**”) pursuant to which the determination as to whether any other takeover offer (such as the Offer) constitutes a “superior proposal” has several important effects.

The ultimate determination of the Board was that, as at the 2 March 2022 board meeting, the Offer does not at this point in time represent a superior proposal as compared with the Emerald takeover offer.

The Board noted that, based on the closing price of Emerald shares on ASX on 2 March of \$1.135, the Emerald offer currently equates to \$0.33 per Bullseye share, as compared with \$0.35 for the Offer. On the face of it, this means that the value of the Offer is marginally superior. However, the following points were considered by the Board in arriving at its ultimate decision that the Offer is not a superior proposal:

- The Emerald offer is unconditional, with current acceptances (as at 2 March 2022) in excess of 50%, meaning that Emerald has a relevant interest in Bullseye of in excess of 50%.
- The Emerald offer provides flexibility for Bullseye shareholders in terms of enabling them to sell some or all of the Emerald shares which they will receive as bid consideration on the liquid market of the ASX (in respect of which Bullseye shareholders will have a real time value reference for those shares on ASX) or, alternatively, retain exposure to Bullseye’s asset base and Emerald’s own portfolio of assets.
- The trajectory of EMR’s share price since commencement of the Bid process has been positive overall (but requires ongoing monitoring by the Bullseye board).

- A number of Independent Analyst reports exist in relation to Emerald which feature a positive near-term outlook for Emerald's share price.
- The likelihood of the Offer being declared free of conditions is currently unclear, with some conditions currently outside the control of Au Xingao.
- The current conditional nature of the Offer, particularly (but not limited to) the fact that it remains subject to FIRB approval, presents uncertainty and risk for Bullseye shareholders.
- In the opinion of the Bullseye Board, there is insufficient clarity at this point in time in relation to whether Au Xingao will have access to cash or immediately available funds in Australia which are sufficient to satisfy its obligations to pay the all-cash offer consideration to Bullseye shareholders if, as and when it may be required to do so.
- The Offer is all-cash. Accordingly, while it provides a stable and known value, it does not provide any possibility of future upside potential.
- The Emerald offer, by contrast, still provides Bullseye shareholders with the opportunity to maintain their exposure to, and profit from any potential upside in, Bullseye's assets.
- Emerald has a strong team, track record and access to capital to develop and realise the value of Bullseye's suite of assets, which are at this stage considered by the Board to be largely undeveloped.
- Emerald's 100,000 ounce per annum producing Okvau gold mine is generating strong cashflows and features low all-in sustaining cash costs (AISC) of circa US\$750/oz, meaning it is likely to remain profitable even if there were to be a significant fall in the price of gold.
- The addition of the Bullseye assets to Emerald's existing projects offers a diversified gold asset portfolio.
- The integration of Bullseye's Australian assets to Emerald creates a diversified portfolio with the ability for Emerald to potentially pay franked dividends to shareholders in the future, the payment of which would increase the attractiveness of Bullseye shareholders holding Emerald shares over and above the value of those shares under the Emerald offer.
- Current Ukraine/Russia and other world events are likely to have a positive effect on the price of gold (and gold producers) in the near-term.
- One of the defeating conditions to the Offer (the due diligence condition) has already been triggered, meaning that Au Xingao already has a basis to withdraw the Offer should it choose to do so.
- The Offer is subject to a minimum acceptance condition of 40%, which may be difficult to satisfy in circumstances where Emerald currently holds a relevant interest of in excess of 50% in Bullseye (and should it continue to do so, Au Xingao will not be able to obtain control of Bullseye under the Offer – which may be relevant to Bullseye shareholders' decision whether or not to accept the Offer).

Your Board continues to recommend the Emerald offer

Given its determination above that the Offer is not a superior proposal as compared with Emerald's takeover offer, the directors **continue to maintain their recommendation that Bullseye shareholders accept Emerald's offer in the absence of a superior proposal.**

Why isn't Bullseye providing due diligence access to Au Xingao?

The Offer is subject to a condition that Bullseye essentially provides "equal access" to information to enable Au Xingao to undertake the same level of due diligence on Bullseye as did Emerald. Your Board notes that Au Xingao has made various public statements to the effect that the Bullseye Board "continues to refuse to offer Au Xingao any due diligence access". In that regard, Bullseye shareholders should be aware that, under clauses 6.2(b)(iii) and 6.3 of the BIA (when read together), Bullseye must not disclose or otherwise provide any non-public information about the business or affairs of the Bullseye Group to Au Xingao unless it has determined that the Offer constitutes a superior proposal as compared to the Emerald takeover offer. As noted above, the Bullseye Board met recently to consider whether, in all of the circumstances and based on the information currently available to them, the Offer constitutes a superior proposal for the purposes of the BIA. Following extensive deliberation, as detailed above, the Board's position is that the Offer is not a superior proposal. On that basis, pursuant to clauses 6.2(b)(iii) of the BIA, Bullseye is not currently able to provide due diligence access to Au Xingao.

The Board will carefully monitor the share price performance of Emerald and the status of the conditions to the Offer (particularly in relation to FIRB approval) and will continue to review its position on an ongoing basis as appropriate.



Peter J Burns
Chairman
For and on behalf of the Board

4 March 2022

ACCEPT this SUPERIOR Offer



This Offer presents a **PREMIUM** to the Emerald Resources all-scrip bid (see page 1 of the Bidder's Statement for more information on the premium offered)



This Offer is **ALL-CASH***



CASH GIVES CERTAINTY, accepting shares means value risk



You can **WITHDRAW** your acceptance of Emerald's bid and consider our Offer



The Takeovers Panel declared **UNACCEPTABLE CIRCUMSTANCES** in relation to Emerald's bid and made orders requiring Emerald and Bullseye to rectify those circumstances so that the Emerald offer can proceed

Au Xingao Investment Pty Ltd is offering Bullseye Shareholders the opportunity to receive a premium with the certainty of cash, compared to an inferior all-scrip proposal.

Don't take the risk with a scrip offer in a volatile market.**

Take the better deal on the table.

*The Offer is subject to a number of terms and conditions as expressed in the enclosed Bidder's Statement.

**The risks referred to are those described by Emerald in its bidder's statement.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR
LEGAL ADVISER AS SOON AS POSSIBLE.

Bidder's Statement

Offer

by

Au Xingao Investment Pty Ltd (ACN 603 261 052)

to acquire all of your shares in

Bullseye Mining Limited (ACN 118 341 736)

for

\$0.31 cash per share increasing to \$0.35 cash per share*

*The Offer price of \$0.31 will be increased to \$0.35 per share if the due diligence condition (described in section 10.6(i)) and minimum acceptance condition (described in section 10.6(a)) are satisfied.

This Offer applies only to the Bullseye Shares on issue at 8am on 15 February 2022, being the date set by the Bidder under section 633(2) of the Corporations Act (**Register Date**). It does not extend to any other securities on issue at the Register Date or to any Bullseye Shares issued after the Register Date (including Bullseye Shares issued on conversion of any other convertible securities).

This Bidder's Statement is a replacement Bidder's Statement and was lodged with ASIC on 23 February 2022. This Bidder's Statement replaces the original Bidder's Statement lodged on 14 February 2022. See the 'Important Information' section on the next page for further details.

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Important Information

This is a Replacement Bidder's Statement and is given by Au Xingao Investment Pty Ltd (ACN 603 261 052) (**Bidder**), a wholly owned subsidiary of Xinhua Zhongbao Co., Ltd. (**Xinhua Zhongbao**) to Bullseye Mining Limited (ACN 118 341 736) (**Bullseye**) under Part 6.5 of the Corporations Act (as modified by ASIC Class Order [CO 13/528]), and relates to the Offer.

You should read this Replacement Bidder's Statement in its entirety.

This Replacement Bidder's Statement is dated 23 February 2022 and replaces the Bidder's Statement dated 14 February 2022 and lodged with ASIC on that date (**Original Bidder's Statement**), and includes an Offer dated 3 March 2022 in section 10. The Offer made under this Replacement Bidder's Statement is on the same terms as the offer set out in the Original Bidder's Statement.

A copy of this Replacement Bidder's Statement was lodged with ASIC on 23 February 2022. Neither ASIC nor any of its officers takes any responsibility for the contents of this Replacement Bidder's Statement.

References to the Bidder's Statement in this document are to this Replacement Bidder's Statement. References to 'the date of this Bidder's Statement' (or similar) should be read as references to 23 February 2022.

Investment advice

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent legal, financial, taxation or other professional advice before deciding whether or not to accept the Offer.

You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

Forward-looking statements

This Bidder's Statement may contain forward-looking statements, which include statements other than statements of historical fact. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks,

variables and other factors, many of which are beyond the control of the Bidder. Actual results, value, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

None of the Bidder, any of its directors, officers or advisers, or any other person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Bidder's Statement will actually occur. You are cautioned not to place undue reliance on any forward-looking statements.

The forward-looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

Information regarding Bullseye

Any information in this Bidder's Statement concerning Bullseye, the Bullseye Group or Bullseye's assets and securities has been prepared from publicly available information. This information has not been independently verified and, accordingly, the Bidder does not make any representation and/or warranty, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on Bullseye should not be considered comprehensive. Further information relating to Bullseye may be included in Bullseye's Target's Statement which will be sent to you by Bullseye.

Foreign jurisdictions

The distribution of this Bidder's Statement and the making of the Offer may be restricted by the laws of jurisdictions outside of Australia, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. The actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from those set out in this Bidder's Statement. Any discrepancies between totals in tables or financial statements or in calculations graphs or charts are due to rounding.

Estimates and assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by the Bidder.

Currencies and time

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

All references to time in this Bidder's Statement are to Perth time.

Privacy

The Bidder and its Related Entities have collected your information from the register of members of Bullseye for the purposes of making the Offer and, if accepted, administering acceptances over your shareholding in Bullseye. The Corporations Act requires the name and address of shareholders to be held in a public register. The Bidder may disclose your personal information to their related bodies corporate (and, in the case of the Bidder, its Related Entities) and

Important Dates

Announcement Date	3 February 2022
Original Bidder's Statement lodged with ASIC	14 February 2022
Replacement Bidder's Statement (this document) lodged with ASIC	23 February 2022
Date of the Offer	3 March 2022
Bullseye's Target Statement due	No later than 15 days after the Date of the Offer
Offer scheduled to close (unless extended)	5.00 pm (Perth time) on 3 April 2022

Note: The closing date for the Offer may change as permitted by the Corporations Act.

external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by the Bidder, please contact the Bidder at the address set out in the Corporate Directory.

Websites

References in this Bidder's Statement to Xinhua Zhongbao's website (www.600208.net) and to Bullseye's website (www.bullseyemining.com.au) are for your reference only. Information contained in or otherwise accessible from those websites are not part of this Bidder's Statement.

How Do I Accept the Offer?

To accept the Offer, follow the instructions set out in the section titled 'How to accept this Offer' of this Bidder's Statement.

If you have previously accepted the Emerald Offer, you can WITHDRAW your acceptance of that offer and then accept this Offer. The Takeovers Panel has required Emerald to advise those Bullseye Shareholders who have accepted the Emerald Offer how you can exercise your withdrawal right for the Emerald Offer.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 11 along with certain rules of interpretation that apply to this Bidder's Statement.

1 Rationale and key risks

1.1 Why is the Bidder making the Offer?

Au Xingao Investment Pty Ltd (ACN 603 261 052) (**Bidder**) is offering to acquire all ordinary shares in Bullseye Mining Limited (ACN 118 341 736) (**Bullseye**) on issue at 8am on the Register Date (**Eligible Shares**) for the following reasons

- The Bidder considers the scrip offered by Emerald may undervalue Bullseye.
- The Bidder has lost confidence in the Bullseye Board to deliver on the Projects and return value to Bullseye Shareholders.
- This cash Offer provides Bullseye Shareholders with the certainty of a cash return for their Bullseye investment.
- The Bidder considers this cash Offer is superior to the current Emerald Offer. As at close of trading on 11 February 2022, the last trading day before the date of the Original Bidder's Statement, Xingao's offer values Bullseye at \$0.350 per share (on the basis that the conditions to the increase in the Offer price are satisfied), which represents a **premium** to the Emerald offer of:
 - **13.6%** based on the closing price of Emerald of \$1.055 on 11 February 2022
 - between **6.1%** and **94%** based on the value range of the Emerald Offer as set out on page 3 of the Emerald Bidder's Statement
 - **19.9%** based on the 6 month VWAP of Emerald shares (\$1.000) to close of trade on 11 February 2022¹
 - **12.2%** based on the 3 month VWAP of Emerald shares (\$1.069) to close of trade on 11 February 2022
 - **15.1%** based on the VWAP of Emerald shares (\$1.044) for the period 28 January 2022 (being the date on which ASX reinstated Emerald's shares to trading following a 15 day period during which Emerald's shares were in trading halt and suspension) to close of trade on 11 February 2022.

Table 1.1 – Premium represented by Xingao Offer

Value of Emerald Offer		Premium (discount) under Xingao Offer	
Relevant Date	Implied value per Bullseye Share	Base price \$0.31	Conditional price \$0.35
Close of trade on 11 February 2022	\$0.308	0.7% premium	13.6% premium
Implied value as per page 3 of Emerald Bidder's Statement	\$0.18 to \$0.33	(6.5%) discount to 72.2% premium	6.1% to 94% premium
6 month VWAP (as above)	\$0.292	6.2% premium	19.9% premium
3 month VWAP (as above)	\$0.312	(0.6%) discount	12.2% premium
VWAP since 28 January 2022 (as above)	\$0.304	2.0% premium	15.1% premium

¹ VWAPs based on Bloomberg VWAP calculation.

- As at the date of this Bidder's Statement, the Bidder does not know whether Bullseye will provide the Bidder with due diligence information as contemplated by the due diligence condition described in section 10.6(i). But it is within the power and discretion of the Bullseye Board to do so. If the Bullseye Board wants its shareholders to have the opportunity to benefit from the offer of \$0.35, then the Bullseye Board can resolve to provide the Bidder with access to this due diligence information. The Bidder is hopeful that the Bullseye Board will do so. But this is out of the Bidder's control.
- If the due diligence condition described in section 10.6(i) is not satisfied, the Bidder may determine to waive that condition, or terminate the Offer. If the Bidder determines to waive that condition, the Offer price will be \$0.31 unless the Bidder separately elects to increase the price.
- The Xingao Offer does not carry the inherent risks associated with being a holder of Emerald scrip, including exposure to a mining operation in Cambodia and the risk of price fluctuation with Emerald scrip. The risks associated with being a holder of Emerald scrip are described by Emerald in the Emerald Bidder's Statement.

1.2 Key risks

This Offer is a cash offer. Consequently, there are no material risks associated with shareholders who accept the Offer. Those shareholders will receive their cash consideration in the manner specified in this Offer.

There are risks for those shareholders who accept the Emerald Offer. A number of those risks are described in the Emerald Offer Bidder's Statement. In addition to those risks, there is a risk for shareholders who accept the Emerald Offer that Emerald will subsequently accept this Offer. If Emerald did that, then Emerald would receive the cash consideration from the Bidder. Those shareholders who accepted the Emerald Offer would hold shares in Emerald but with no interest in the Bullseye assets. Shareholders who are considering accepting Emerald's Offer should make enquiries of Emerald as to whether there is any circumstance in which Emerald would consider accepting this Offer.

There are risks for those shareholders who accept neither this Offer nor the Emerald Offer. Those shareholders will remain as shareholders in Bullseye. If neither Emerald nor the Bidder acquire a level of interest in Bullseye which would be required for it to compulsorily acquire all Bullseye shares, then those shareholders will be minority shareholders in Bullseye. It is possible that one or other of the Bidder or Emerald will have a controlling (ie greater than 50%) interest in Bullseye at that time.

It is also possible that neither the Bidder nor Emerald will hold more than 50% of the shares in Bullseye. That could affect the ability of Bullseye to make important decisions in relation to its operations, funding and/or general governance.

2 Summary of the Offer and Other Important Information

The following is a summary only of the Offer and is qualified by the detailed information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Eligible Shares.

The terms of the Offer are contained in section 10.

Who is making the Offer?

The Bidder is Au Xingao Investment Pty Ltd, an Australian registered company. It is a wholly owned subsidiary of Xinhua Zhongbao. The Bidder holds interests in a number of Australian mining companies, including Bullseye.

What is the Offer price?

The Bidder is offering to acquire all of your Eligible Shares for \$0.31 cash per Eligible Share, on the terms and conditions set out in section 10.

The Offer price will be increased to \$0.35 per Eligible Share if the following two conditions are satisfied:

- the due diligence condition described in section 10.6(i); and
- the minimum acceptance condition described in section 10.6(a).

If a shareholder accepts the Offer while the price is \$0.31, but the price is subsequently increased to \$0.35 on satisfaction of these conditions, then the higher Offer price will be payable to that shareholder (subject to the terms of the Offer).

If one or more of these conditions is waived by the Bidder (rather than satisfied) the increased Offer price will not be payable unless the Bidder determines otherwise (in its discretion).

Why are there two prices?

The Bidder approached Bullseye to seek access to information in order to allow the Bidder to conduct due diligence on Bullseye. By conducting due diligence, the Bidder would have been able to confirm matters relevant to its assessment of the value of Bullseye. But your directors have so far refused to engage with the Bidder. In fact, they didn't even have the decency to provide any response at all to the three letters the Bidder (through its legal counsel) wrote to Bullseye's legal counsel. Nevertheless, the Bidder is hopeful that the Bullseye Board will act in a manner that ensures shareholders have the opportunity to benefit from the higher Offer price.

As a result of the refusal of the Directors to engage with the Bidder, the Offer has a price (\$0.31). But if due diligence access is provided, and if the due diligence condition and the minimum acceptance condition are satisfied, then the higher price (\$0.35) will apply.

Whether or not due diligence access is provided is a matter for the Bullseye Directors. The Bidder would expect the Board of a public company to actively promote a competing bid because that maximises the opportunity for the shareholders to benefit from the contest between competing bidders. If the Directors of Bullseye genuinely want their shareholders to have the option to consider this SUPERIOR proposal, the Directors will grant the Bidder the

requested due diligence information.

The Takeovers Panel has declared that the Emerald Offer Target's Statement was deficient. How does this impact the due diligence condition precedent?

The Bidder notes the announcement by the Takeovers Panel and the Declaration of Unacceptable Circumstances and related Orders on 7 February 2022. In particular, Xingao notes that the Takeovers Panel's Declaration refers to circumstances including that:

The Panel considers that Bullseye's target's statement contains material deficiencies including because it:

- a. does not adequately describe the progress of Bullseye's North Laverton Gold Project, or provide details of the risks associated with it*
- b. provides insufficient disclosure of production targets and drilling results and discloses mineral resource estimates that are not fully compliant with the JORC Code 2012 and*
- c. does not provide adequate financial information of subsequent events to Bullseye's 2021 Annual Report.*

Xingao does not intend to, and will not, rely solely on the fact that the Takeovers Panel has made a declaration that identifies the specified deficiencies in Bullseye's target's statement as being a matter that triggers the defeating condition referred to in section 10.6(i)(iii).

The Takeovers Panel has ordered Bullseye to issue a supplementary target's statement to address these deficiencies. Once the Bidder has had an opportunity to review the supplementary target's statement issued by Bullseye in accordance with the orders of the Takeovers Panel, and if the Bidder considers that the supplementary target's statement contains any material information, not disclosed in the Emerald Offer Target's Statement, that is adverse to Bullseye, the Bidder will notify shareholders within 10 Business Days following the issue of the Bullseye supplementary target's statement if it intends to rely on the deficiencies in the Emerald Offer Target's Statement to determine that the Defeating Condition in section 10.6(i)(iii) is not fulfilled by reason of the matters disclosed in the supplementary target's statement.

What happens to the Offer price if the minimum acceptance condition is satisfied but Bullseye does not satisfy the due diligence condition?

If the due diligence condition described in section 10.6(i) is not satisfied, the Bidder will have to determine whether to waive the condition and proceed with the Offer, or terminate the offer because of the non-satisfaction of the condition. One of the relevant considerations for the Bidder in making this assessment will be the nature and quality of the disclosures made by Bullseye in the supplementary target's statement to be issued in compliance with the orders of the Takeovers Panel and the target's statement to be issued in response to this Offer. If the supplementary target's statement and the target's statement issued in response to this Offer contain adequate disclosure on the matters important to the Bidder in relation to Bullseye, then the Bidder may form the view that the due diligence condition is no longer necessary and that

condition can be waived (or waived in part). The Bidder will make this assessment, and inform shareholders, within 10 Business Days following the later of the receipt of the supplementary target's statement and the receipt of the target's statement issued in response to this Offer.

If the due diligence condition is not satisfied, but the Bidder elects to waive that condition, then the Offer price will be \$0.31 unless the Bidder separately elects to increase the price.

What if I have already accepted the Emerald Offer

Because both Emerald and Bullseye engaged in conduct that the Takeovers Panel found to give rise to "unacceptable circumstances" in relation to the Emerald Offer, the Takeovers Panel has ordered Emerald to offer all shareholders who have accepted the Emerald Offer (other than the Directors of Bullseye) the right to WITHDRAW THEIR ACCEPTANCE from the Emerald Offer. Further detail on the Takeovers Panel decision and your withdrawal rights are set out in section 9.5 and section 9.6.

Why should I withdraw my acceptance of the Emerald Offer?

Withdrawing your acceptance of the Emerald Offer gives you options. Once you withdraw your acceptance, you can:

- accept this SUPERIOR Offer;
- accept the Emerald Offer (if you later decide you prefer that offer); or
- hold your Bullseye Shares to see if any other offer emerges.

With these options, you have the ability to maximise the value of your Bullseye Shares.

You should speak to your legal or financial adviser for advice on whether to withdraw your acceptance.

Why did Xinhe commence proceedings in the Takeovers Panel?

Xinhe is the second largest shareholder in Bullseye. It has been a long-time supporter of Bullseye and invested substantial capital in Bullseye at the request of the Bullseye Directors at a time when Bullseye was most in need of the capital. As the second largest shareholder in Bullseye, Xinhe was concerned to ensure that any control transaction involving Bullseye occurred in a market that was efficient, competitive and informed.

When Xinhe reviewed the Emerald Offer Target's Statement issued by Bullseye, Xinhe was concerned that Emerald and Bullseye's conduct had frustrated any real prospect for an auction for control of Bullseye. Also, Xinhe believed that the Emerald Offer Target's Statement did not disclose all the information that the law required the Bullseye Directors to disclose. Xinhe was concerned that these matters deprived Bullseye Shareholders of an opportunity to maximise the value of their shares.

Before lodging its application to the Takeovers Panel, Xinhe wrote to both Bullseye and Emerald raising Xinhe's concerns and offering them an opportunity to address the concerns. But neither Bullseye nor Emerald agreed to address Xinhe's concerns.

On 7 February 2022, the Takeovers Panel made a declaration of unacceptable circumstances and a number of orders to address those unacceptable circumstances. As a result of Xinhe taking this action, Bullseye Shareholders:

- will receive more information to enable them to make a fully informed decision about the Emerald Offer
- will have the opportunity to benefit from other offers that might emerge, including this Offer.

The Takeovers Panel's Declaration of Unacceptance Circumstances and the Orders made by the Takeovers Panel can be accessed via the Takeovers Panel website:

www.takeovers.gov.au.

When does the Offer close?

The Offer closes at 5:00pm (Perth time) on 3 April 2022. You should note that the Offer Period can be extended as permitted by the Corporations Act.

What is the risk if I do not accept this Offer?

If you do not accept this Offer, there is a risk that you will be a minority shareholder in Bullseye which, following the close of this Offer or the Emerald Offer, is controlled by either the Bidder or Emerald, depending on the outcome of these two bids. In that circumstance, Bullseye will be controlled by one shareholder (in the sense that that shareholder will hold more than 50% of the shares in Bullseye) and that shareholder may be in a position to implement its strategy for Bullseye. That strategy may not be aligned with your own views in relation to Bullseye. The Bidder has set out in section 7.4 its intentions if the Bidder acquires more than 50% but less than 90% of the shares in Bullseye.

There is also a risk that neither the Bidder nor Emerald will hold a controlling interest (ie more than 50% of the shares) in Bullseye. In those circumstances, Bullseye's operations and governance will not be controlled by a single shareholder. This might have an impact on the operations, funding and governance of Bullseye which might, in turn, adversely affect its future prospects. The Bidder has set out in section 7.5 its intentions if the Bidder acquires 50% or less of the shares in Bullseye.

What are the conditions of the Offer?

The Offer is subject to the conditions which are set out in full in section 10.6.

In summary, the Offer is subject to the following conditions:

- the Offer results in the Bidder having relevant interests in at least 40% of the Bullseye Shares (including the Bullseye Shares held by Xinhe);
- there is no objection to the Bidder acquiring Bullseye Shares under the FATA;
- satisfaction of the due diligence condition described in section 10.6(i);
- there are no regulatory actions which may restrain, prohibit

or impede on the Offer;

- none of the prescribed occurrences listed in section 652 of the Corporations Act happen in relation to Bullseye during the Offer Period;
- there is no material acquisition, disposal or commitment undertaken by Bullseye during the Offer Period;
- there is no material adverse change in relation to Bullseye during the Offer Period;
- there is no change of control right in relation to Bullseye arising from the Offer during the Offer Period;
- Bullseye does not make, determine as payable or declare any distribution;
- the rehabilitation liabilities in respect of the Bullseye Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Offer Period; and
- the business of the Bullseye Group is conducted in the ordinary course during the Offer Period.

The status of each of the conditions as at the date of this Bidder's Statement is discussed in sections 9.3 and 9.4.

If the conditions are not satisfied or waived then the Offer will not proceed.

What interest does Bidder have in Bullseye?	As at the date of this Bidder's Statement, the Bidder has a Relevant Interest in 1,870,000 Bullseye Shares. In addition, Xinhe, an associate of the Bidder, has a relevant interest in 64,302,693 Bullseye Shares. As a result, the Bidder has total voting power in Bullseye of 14.85%.
How do I accept the Offer?	See section 10.3 as well as the instructions on the enclosed Acceptance Form.
Can I accept the Offer for part of my holding of Eligible Shares?	Yes. You may accept this Offer for all or some of your Eligible Shares. If you accept this Offer for some of your Eligible Shares, you may still accept the Offer for all or part of the balance of your Eligible Shares at any time during the Offer Period, as if an offer in the form of this Offer had been made to you in respect of the balance of your Eligible Shares.
Can I withdraw my acceptance of this Offer?	Once you accept the Offer, you will be unable to revoke your acceptance, subject to the qualification described in section 10.7(a)(i). The contract resulting from your acceptance will be binding on you and you will be unable to withdraw your acceptance, or otherwise dispose of your Eligible Shares to which the acceptance relates, unless a withdrawal right arises under the Corporations Act.
If I accept the Offer, when will I be paid?	If you accept the Offer in accordance with the instructions contained in the Offer and the Acceptance Form, you will be sent payment within one month after the later of: <ul style="list-style-type: none">• the date that you accept; and

- the date that the Offer becomes unconditional.

In any event, assuming the conditions of the Offer are satisfied or waived, you will be sent payment within 21 calendar days after the end of the Offer Period.

How will I be paid?	Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. If you wish to have the cash amount paid by way of electronic funds transfer or direct deposit, you can complete the relevant section of the Acceptance Form, including by providing the bank account details (being a bank account in the name of the Bullseye Shareholder who is accepting the Offer) into which the cash amount should be deposited or transferred.
What are the tax implications of acceptance of the Offer?	You should consult your financial, tax or other professional adviser on the tax implications of acceptance of the Offer. However, section 8 contains a general summary of the major likely Australian tax consequences for Bullseye Shareholders who accept the Offer.
Do I pay brokerage or stamp duty if I accept the Offer?	You will not incur any brokerage in connection with your acceptance of the Offer. You will not pay stamp duty on the disposal of your Eligible Shares if you accept the Offer.
What happens if I do not accept the Offer?	If you do not accept the Offer, you will not receive the cash consideration under the Offer and you will remain a Bullseye Shareholder.
What if I require further information?	If you have any questions in relation to how to accept the Offer, please see the enclosed Acceptance Form. If you have lost your Acceptance Form and require a replacement, please call the Bidder's hotline on +61 8 6160 4901 or contact via email at mbenino@citadelmagnus.com . For queries about your Bullseye shareholding, please call Bullseye's share registry.

3 Profile of the Bidder and Xinhua Zhongbao Group

3.1 Who is the Bidder?

The bidder under the Offer is Au Xingao Investment Pty Ltd (ACN 603 261 052).

The Bidder is a proprietary limited company incorporated in Australia on 28 January 2015. The Bidder is a wholly owned subsidiary of Hong Kong Xinhua Investment Co., Ltd (**Hong Kong Xinhua**), which is a wholly owned subsidiary of Xinhua Zhongbao Co., Ltd (Listing code: SHA:600208) (**Xinhua Zhongbao**).

The Bidder was established for the purpose of investing in mining projects in Australia and is currently a shareholder of ASX listed entities including Yandal Resources Limited (ASX:YRL), Avenir Limited (ASX:AVE) and Anova Metals Limited (ASX:AWV).

As at the date of this Bidder's Statement, the sole director of the Bidder is Mr Luke Huang.

3.2 Who is Hong Kong Xinhua?

Hong Kong Xinhua was incorporated in Hong Kong on 15 December 2010. It is the holding company of the Bidder and a wholly owned subsidiary of Xinhua Zhongbao.

Hong Kong Xinhua's principal activities include investing in real estate, new energy and high-tech industries.

Hong Kong Xinhua does not hold any investments in Australia other than its interest in the Bidder.

As at the date of this Bidder's Statement, the directors of Hong Kong Xinhua are Ms Junbo Lin and Ms Xiaona Pan.

3.3 Who is Xinhua Zhongbao?

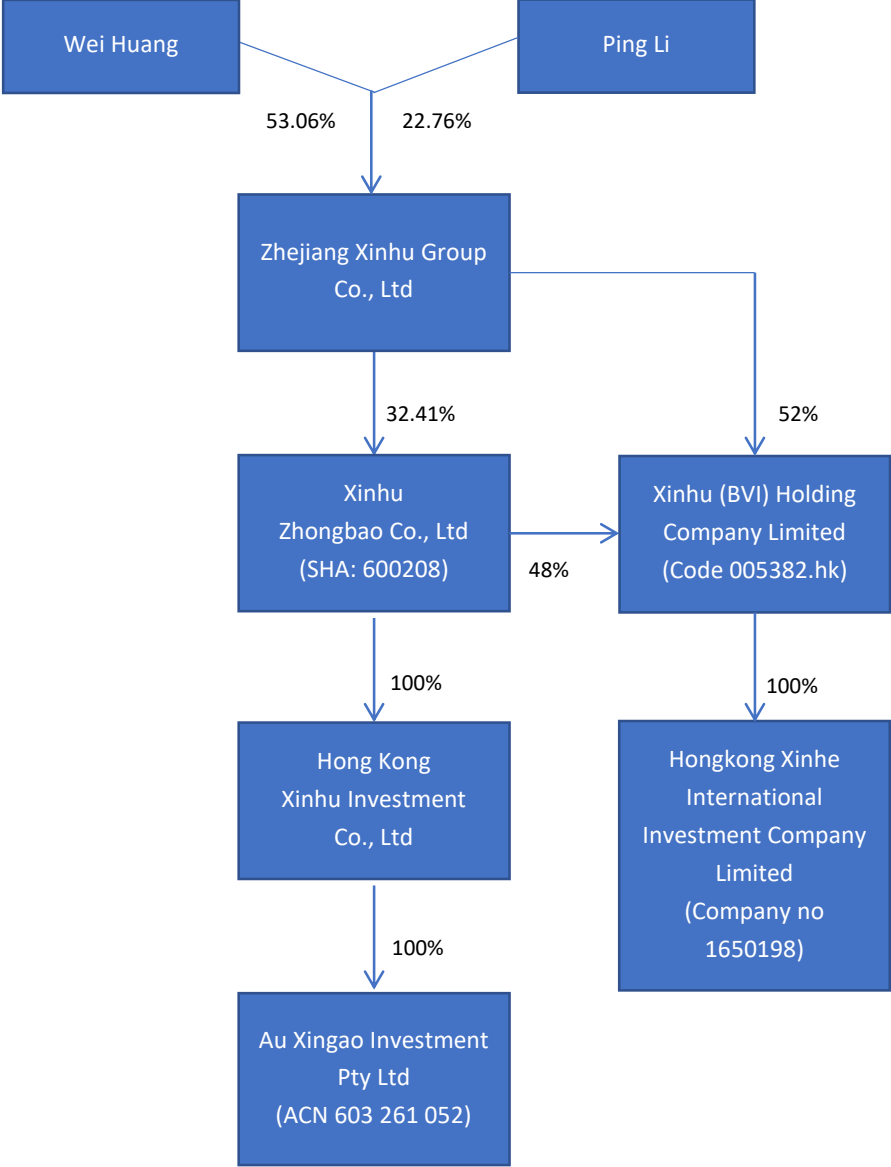
Xinhua Zhongbao is an A-share listed company on the Shanghai Stock Exchange. It was listed on the Shanghai Stock Exchange on 23 June 1999. Xinhua Zhongbao was incorporated in the People's Republic of China (**PRC**) on 1 February 1993 and is the ultimate holding company of the Bidder.

Xinhua Zhongbao's principal activities include the development and distribution of residential and commercial real estate. It also has interests in financial services, internet and information-related companies, and is engaged in commodities trading.

Xinhua Zhongbao has no operations in Australia and is not currently involved in any business in Australia other than its interest in the Bidder, and its indirect interest in Xinhua.

3.4 Structure

As at the date of this Bidder's Statement, a summary of the structure relating to the Bidder, Hong Kong Xinhua, Xinhua Zhongbao and Xinhe is set out below.



The Bidder believes that none of the entities referred to in this organisation structure are 'foreign government investors' for the purposes of the FATA.

3.5 Additional information regarding the Xinhua Zhongbao Group

Information about the Xinhua Zhongbao Group may also be obtained from Xinhua Zhongbao's website at www.600208.net.

4 Profile of the Bullseye Group

4.1 Disclaimer

The information in this section 4 concerning Bullseye and the Bullseye Group has been prepared based on a review of publicly available information (which has not been independently verified) including the Emerald Offer Target's Statement. The Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Bullseye and the Bullseye Group in this Bidder's Statement should not be considered comprehensive.

The Bidder does not have any information in relation to the Bullseye Group other than the information contained in the Emerald Offer Target's Statement which the Bidder considers to be relevant to a decision by Bullseye Shareholders as to whether to accept the Offer.

4.2 Overview of Bullseye

Bullseye was incorporated as a public unlisted company in Western Australia on 14 February 2006. Bullseye is the holding company for the Bullseye Group.

The Bullseye Group's principal activities relate to the exploration and development of gold resources in Western Australia.

Bullseye's key project is the North Laverton Gold Project, which is located on the Dingo Range Greenstone Belt in Western Australia. Its other material gold projects include the Southern Cross Project and the Aurora Project. Details regarding these projects are included in the Emerald Offer Target's Statement.

4.3 Bullseye Directors

As at the date of this Bidder's Statement, based on records maintained by ASIC, the Bullseye Directors are:

- (a) Peter Joseph Burns - Non Executive Director (Chairman);
- (b) Dariena Catherine Ann Mullan - Executive Director;
- (c) Peter Gerard Burns - Executive Director;
- (d) Ian Mackenzie Ladyman - Non Executive Director; and
- (e) Anthony Nelson Short - Non Executive Director.

4.4 Publicly available information

Bullseye is not a disclosing entity for the purposes of the Corporations Act, and is therefore not subject to regular reporting and disclosure obligations under the continuous disclosure requirements of the Corporations Act.

Bullseye is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Bullseye may be obtained from ASIC.

Other information regarding the Bullseye Group may also be obtained from Bullseye's website at <https://www.bullseyemining.com.au/> and the Emerald Offer Target's Statement.

4.5 Litigation between Xinhé and Bullseye

Supreme Court of Western Australia Proceedings COR 83 of 2020 & COR 139 of 2021

Xinhé commenced proceedings in July 2020 against Bullseye and three of its directors, Mr Peter Joseph Burns, Mr Peter Gerard Burns and Ms Dariena Mullan, in the Supreme Court of Western Australia (***Supreme Court Proceedings***).

Xinhe claims that the directors conducted Bullseye's affairs in a manner that was and is contrary to the interests of Bullseye's shareholders and oppressive to, unfairly prejudicial to or unfairly discriminatory against Xinhe and other Bullseye Shareholders, including:

- (a) by failing to lodge its annual reports for the years ended 30 June 2018 and 30 June 2019 and by failing to hold its 2018 and 2019 annual general meetings within the statutory required timeframes;
- (b) by providing selective, incomplete, misleading and delayed information to shareholders;
- (c) by failing to honour an agreement made in February 2015 to allow Xinhe to appoint a nominee director to the board of Bullseye;
- (d) by refusing to register share transfers to persons the directors thought to be supportive of Xinhe and by facilitating grey market share trading between shareholders desirous of selling and shareholders who the directors considered would be supportive of them;
- (e) by paying the directors excessive remuneration in excess of their contractual entitlements and without shareholder approval;
- (f) by using company funds to prosecute unsuccessful proceedings in the Takeovers Panel, to unsuccessfully defend proceedings in the Takeovers Panel and to defend the Supreme Court Proceedings; and
- (g) by failing to develop its exploration assets and causing them to be liable to or at risk of forfeiture.

Xinhe seeks various remedies to address this conduct.

Xinhe is also seeking an order pursuant to the Corporations Act to inspect various books and records of Bullseye in its capacity as a shareholder.

Bullseye and the directors are defending the claims.

The trial of the Supreme Court Proceedings is currently part heard and is scheduled to resume on 22 February 2022.

District Court of Western Australia Proceedings CIV 1987 of 2020

A former consultant of Bullseye has commenced proceedings against Bullseye for unpaid consulting fees in the sum of \$580,000 in the District Court of Western Australia (***District Court Proceedings***).

Bullseye is defending the claim and has also counterclaimed against the former consultant and various other parties including Xinhe and Mr Luke Huang for unspecified damages.

Six of the defendants to the counterclaim have sought orders requiring Bullseye to pay security for their costs on the basis that Bullseye may not be able to meet adverse costs orders. The application for security of costs has been heard by the District Court but a decision is yet to be delivered.

5 Information on Bullseye's securities

5.1 Bullseye securities on issue

According to the most recent ASIC Form 484 lodged by Bullseye, dated 2 February 2022, the total number of securities on issue in each class in Bullseye was as follows:

Class	
Bullseye Shares	445,599,851

5.2 Interests in Bullseye securities

(a) The Bidder's relevant interest in Bullseye securities and voting power in Bullseye

As at the date of this Bidder's Statement and immediately before the first Offer was sent, the Bidder had a relevant interest in 1,870,000 Bullseye Shares.

Xinhe, an associate of the Bidder in relation to Bullseye, has a relevant interest in 64,302,693 Bullseye Shares. As Xinhe and the Bidder are associates in relation to the affairs of Bullseye, the Bidder's voting power in Bullseye equals the sum of the voting power attached to the Bullseye Shares in which the Bidder has a relevant interest and the voting power attached to the Bullseye Shares in which Xinhe has a relevant interest.

As at the date of this Bidder's Statement and immediately before the first Offer was sent, the Bidder's voting power in Bullseye was 14.85%.

(b) Acquisitions of Bullseye Shares by the Bidder or associates

Neither the Bidder nor any of its associates has provided (or agreed to provide) consideration for a Bullseye Share under a purchase or agreement to purchase during the four months before the date of this Bidder's Statement or in the period between the date of this Bidder's Statement and the date of the Offer.

5.3 Recent share price performance of Bullseye

As Bullseye is an unlisted public company, the Bidder has no access to information about transactions in Bullseye Shares other than information provided by Bullseye in the Emerald Offer Target's Statement, and as provided to Xinhe by Bullseye in the share register of Bullseye dated 7 February 2022. The Bullseye share register discloses that since the Emerald Offer was announced, 49 share transfers have been registered at sale prices between \$0.27 and \$0.30 per share.

5.4 No collateral benefits

Neither the Bidder nor any of its associates has in the four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered to give or agreed to give a benefit which is not offered to all Bullseye Shareholders under the Offer to another person which was likely to induce the other person (or an associate) to accept the Offer or dispose of Bullseye Shares.

5.5 No escalation agreements

Neither the Bidder nor any of its associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6 Sources of Consideration

6.1 Total cash consideration

The consideration for the acquisition of the Eligible Shares will be satisfied by the payment of cash (in Australian dollars).

The Bidder and its associate already have a combined relevant interest in 66,172,693 Bullseye Shares as at the date of this Bidder's Statement.

As at the date of this Bidder's Statement, according to publicly accessible information in relation to Bullseye Shares, there are 445,599,851 Bullseye Shares on issue. Based on this, the maximum amount of cash that would be payable by the Bidder under the Offer if acceptances were received for all Eligible Shares held by Bullseye Shareholders in which the Bidder or its associate does not already have a relevant interest is \$117,622,419 (based on an Offer price of \$0.31) and \$132,799,505 (based on an Offer price of \$0.35).

Accordingly, the maximum cash amount, which may be required to settle acceptances under the Offer, is \$132,799,505 (the **Offer Amount**).

6.2 The Bidder's funding arrangements

The necessary funds to be made available to the Bidder to pay the Offer Amount (and to meet transaction costs) will be sourced from funds provided by Hong Kong Xinhua. The Bidder holds liquid assets in the form of listed shares. As at the close of trading on 10 February 2022, the liquid assets (in the form of shares in ASX-listed companies) held by the Bidder had a combined value of approximately \$14.87 million.

The Bidder and Hong Kong Xinhua have entered into an equity subscription agreement dated 14 February 2022 (**Equity Agreement**) under which (subject to the terms of the Equity Agreement), Hong Kong Xinhua will provide the Bidder with funds (**Equity Funding**). The funds committed to be provided by Hong Kong Xinhua exceed the maximum cash amount which may be required to settle acceptances under the Offer. The excess amount will be applied to fund the Bidder's associated transaction costs.

Following is a summary of the key terms of the Equity Agreement:

- The provision of the Equity Funding by Hong Kong Xinhua is conditional upon the Bidder making an off-market takeover bid under Part 6.5 of the Corporations Act for Bullseye Shares and lodging a bidder's statement with ASIC. As at the date of this Bidder's Statement, this condition has been satisfied.
- Hong Kong Xinhua will make the Equity Funding in Australian dollars and by cheque or transfer of immediately available funds to, or at the direction of, the Bidder.
- The Bidder will use the proceeds of the Equity Funding to pay the Offer Amount and associated transaction costs.
- Hong Kong Xinhua has committed to provide the amount of the Equity Funding to the Bidder as and when the Bidder is required to pay the Offer Amount (from time to time) or associated transaction costs.
- Hong Kong Xinhua warrants to the Bidder that as at the date of the Equity Agreement it has committed funds available to it (and not otherwise intended or expected to be used for any purpose other than to provide the Equity Funding to the Bidder) which amount to not less than the Equity Funding.
- Hong Kong Xinhua undertakes to the Bidder that it will take all reasonable action to ensure (so far as it is lawfully able) that its committed funds referred to in the paragraph above

will at all relevant times remain available to fund the Equity Funding to the Bidder, subject to and in accordance with the terms of the Equity Agreement.

As at the date of this Bidder's Statement, the Xinhua Zhongbao Group has foreign direct investment approval (from the Chinese State Administration Foreign Exchange) for up to US\$100 million (\$139.39 million²). The Bidder, to the best of its knowledge, is not aware of any other regulatory approvals that it requires in order to pay the Offer Amount.

The Offer is not subject to any financing conditions.

6.3 Financial position of Hong Kong Xinhua

Based on the audited accounts of Hong Kong Xinhua as at 30 June 2021, Hong Kong Xinhua has over \$400m³ in cash and liquid assets and has informed the Bidder that, as at the date of this Bidder's Statement, it continues to hold at least that amount of cash and liquid assets.

6.4 Provision of consideration

Based on the arrangements described in this section 6, the Bidder believes it has reasonable grounds for holding the view, and does hold the view, that it will be able to provide the consideration offered under the Offer, as well as meet the associated transaction costs.

² Based on an US\$: \$ exchange rate of 0.71:1 as at 14 February 2022.

³ Based on an RMB: \$ exchange rate of 4.53:1 as at 14 February 2022

7 Bidder's Intentions

7.1 Introduction

This section 7 sets out the rationale for the Offer and the Bidder's intentions in relation to:

- the continuation of the business of Bullseye;
- any major changes to the business of Bullseye and any redeployment of the fixed assets of Bullseye; and
- the future employment of the present employees of Bullseye.

These intentions are based on the information concerning Bullseye, its business and the general business environment that is known to the Bidder at the time of preparation of this Bidder's Statement, which is limited to publicly available information.

Given that the Bidder has not had the benefit of a due diligence investigation into Bullseye, the Bidder does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions. Where applicable, final decisions regarding these matters will only be made by the Bidder in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 7 are statements of current intention only, which may change as new information becomes available to the Bidder or as circumstances change.

7.2 Rationale for the Offer

The rationale for the Offer is set out in section 1.

7.3 Intentions upon acquisition of 90% or more of the Bullseye Shares

This section 7.3 sets out the Bidder's current intentions if the Bidder acquires relevant interests in 90% or more of the Bullseye Shares and it is entitled to proceed to compulsory acquisition of the remaining Bullseye Shares under the Corporations Act.

(a) Corporate matters

It is intended that the Bidder would:

- consider at the relevant time whether it will proceed with compulsory acquisition of the outstanding Bullseye Shares in accordance with the provisions of Chapter 6A of the Corporations Act;
- replace all members of the board of directors of Bullseye subsidiaries (including any entity in which Bullseye has a relevant interest in 50% or more of the entity's shares) that have been appointed by Bullseye with nominees of the Bidder. Nominees have not yet been identified by the Bidder. Final decisions on these nominees will be made in light of the circumstances at the relevant time; and
- remove all members of the Bullseye Board (with the exception of Ms Dariena Mullan) and appoint two nominees of the Bidder. It is proposed that, shortly after completion of the Offer, the Bullseye Board will include Luke Huang (current director of Xingao). The additional nominee has not yet been identified by the Bidder. Final decisions on the nominees will be made in light of the circumstances at the relevant time.

(b) Head office and head office employees

The Bidder does not intend to make any immediate changes to the Bullseye head office functions (such as finance and accounting, human resources or risk management). The Bidder will make an assessment of the head office functions in the post-acquisition period

and then make decisions about the longer term operation and functioning of the Bullseye head office.

The Bidder is not in a position at this time to determine how many employees may be affected in this way, nor the full nature and timing of any redundancies. The Bidder will not be in that position until it has conducted the detailed review referred to in section 7.3(c).

(c) **General operational review**

The Bidder's knowledge of the assets and operations of Bullseye is limited to public information.

Accordingly, if the Bidder acquires all of the Bullseye Shares, the Bidder intends to conduct a thorough and broad-based general review of Bullseye's corporate structure, assets, businesses, personnel and operations. This review will apply quantitative and qualitative factors to measure performance and areas for improvement.

While the Bidder does not have any specific intentions in relation to this review or its outcomes, its current expectation is that the review will focus on identifying opportunities in relation to:

- developing Bullseye's exploration and development assets;
- profit improvement measures involving a wide range of initiatives including (but not limited to) overhead cost reductions;
- the efficiency of operations through maximising the utilisation of existing resources;
- the efficiency of management structures in Bullseye; and
- improving capital management.

7.4 Intentions upon acquisition of more than 50% but less than 90% of the Bullseye Shares

This section 7.4 sets out the Bidder's intentions if the Bidder gains effective control of Bullseye without becoming entitled to compulsorily acquire the outstanding Bullseye Shares.

In those circumstances, the Bidder's current intentions are as follows.

(a) **Corporate matters**

It is intended that the Bidder would, subject to the Corporations Act and Bullseye's constitution, seek to remove the Bullseye Board (with the exception of Ms Dariena Mullan) and appoint nominees of the Bidder (with the number of nominees to be determined by the Bidder, but such that the directors nominated by the Bidder will constitute a majority of the Board). The Bidder may also decide to appoint one new independent director (in addition to Ms Dariena Mullan). The Bidder expects its nominees will include Luke Huang.

(b) **Head office and head office employees**

The Bidder does not intend to make any immediate changes to the Bullseye head office functions (such as finance and accounting, human resources or risk management). The Bidder will make an assessment of the head office functions in the post-acquisition period and then make decisions about the longer term operation and functioning of the Bullseye head office.

The Bidder is not in a position at this time to determine how many employees may be affected in this way, nor the full nature and timing of any redundancies. The Bidder will not be in that position until it has conducted the detailed review referred to in section 7.4(c).

(c) **General operational review**

The Bidder, through its nominees on the Bullseye Board, is likely to propose that Bullseye implements a general operational review of the nature referred to in section 7.3(c) and also convenes a meeting of Bullseye Shareholders to consider the outcome of such review, with the aim of pursuing, to the maximum extent possible and appropriate, the types of opportunities which might have been available to the Bidder if the Bidder had acquired 100% of Bullseye.

(d) **Litigation**

The Bidder understands that Xinghe will seek to negotiate a settlement of the litigation referred to in section 4.5 with the independent Bullseye director or directors with a view to saving all Bullseye Shareholders (including Xinhe) ongoing cost and uncertainty associated with the litigation.

(e) **Funding of Bullseye**

The Bidder, through its nominees on the Bullseye Board, is likely to propose that Bullseye implements a funding review and assesses its funding options and consults with other Bullseye Shareholders as part of this review.

(f) **Further acquisition of Bullseye Shares**

The Bidder may, at some later time, acquire further Bullseye Shares in a manner consistent with the Corporations Act. The Bidder notes that, in this scenario, it is possible that Bullseye will have fewer than 50 shareholders, in which case Bullseye will not be a company that is subject to the operation of Chapter 6 of the Corporations Act.

(g) **Compulsory acquisition at a later time**

If the Bidder becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act, it may exercise those rights.

(h) **Review of dealings with directors**

The Bidder, through its nominees on the Bullseye Board, is likely to propose that Bullseye conducts a thorough review of all past dealings between Bullseye and Bullseye Directors.

7.5 Intentions if Bidder does not acquire more than 50% the Bullseye Shares

If the Offer closes and the Bidder has not acquired a relevant interest in more than 50% of Bullseye Shares:

- (a) The Bidder does not expect to be in a position to give full effect to the intentions set out in section 7.3(c), but aims to work with the Bullseye Board to implement those intentions to the extent possible and to the extent they remain appropriate.
- (b) The Bidder will use its voting power to seek to obtain representation on the Bullseye Board which is at least consistent with its proportionate shareholding as well as the right to appoint a director asserted in the Supreme Court litigation referred to in section 4.5.
- (c) The Bidder would have regard to the circumstances at the time and consider the appropriate courses of action that are in the best interests of the Bidder.

7.6 Other intentions

Other than as set out in this section 7, it is the present intention of the Bidder to procure that Bullseye will:

- generally continue the business of Bullseye;
- not make any major changes to the business of Bullseye nor to redeploy any of the fixed assets of Bullseye; and
- continue the employment of Bullseye's present employees.

7.7 Limitations on intentions

The intentions and statements of future conduct set out in this section 7 must be read as being subject to:

- the law (including the Corporations Act), including in particular the requirements of the Corporations Act in relation to conflicts of interest and 'related party' transactions;
- the legal obligation of the Bullseye Directors at the time, including any nominees of the Bidder, to act in good faith in the best interests of Bullseye and for proper purposes and to have regard to the interests of all Bullseye Shareholders; and
- the outcome of the reviews referred to in sections 7.3(c) and 7.4(c).

8 Australian Tax Considerations

8.1 Taxation outline

The following is a general description of the Australian tax consequences for a Bullseye Shareholder that disposes of their Eligible Shares (through acceptance of the Offer) in return for cash consideration. The comments set out below are relevant only to those Bullseye Shareholders who hold their Eligible Shares on capital account. The description is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Bullseye Shareholder.

This description does not apply to all Bullseye Shareholders. For example, it does not apply to any Bullseye Shareholders that:

- hold their Eligible Shares on revenue account or as trading stock;
- are temporary residents of Australia for Australian taxation purposes;
- hold their Eligible Shares in connection with a business carried on through a permanent establishment outside their country of residence;
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* in relation to gains and losses on their Eligible Shares;
- obtained rollover relief in connection with the acquisition of their Eligible Shares; or
- have not been resident in the same country for tax purposes throughout the period they have owned the Eligible Shares.

Bullseye Shareholders should seek independent professional advice regarding the taxation consequences of disposing of Eligible Shares in the light of their own particular circumstances.

Bullseye Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of acceptance of the Offer under the laws of their country of residence, as well as under Australian law.

Unless otherwise indicated, this description applies to Bullseye Shareholders who are individuals.

8.2 Australian resident Bullseye Shareholders

Capital Gains Tax (CGT)

Acceptance of the Offer will involve the disposal by Bullseye Shareholders of their Eligible Shares, by way of transfer to the Bidder. This change in the ownership of the Eligible Shares will constitute CGT event A1 for Australian CGT purposes.

The date of disposal of the Eligible Shares for CGT purposes will be the date they accept the Offer (or, if later, the date when the Defeating Condition in section 10.6(b) is satisfied or waived).

Calculation of capital gain or capital loss

Bullseye Shareholders may make a capital gain on the disposal of Eligible Shares to the extent that the 'capital proceeds' from the disposal of the Eligible Shares are more than the 'cost base' of those Eligible Shares. Conversely, Bullseye Shareholders may make a capital loss to the extent that the 'capital proceeds' are less than their 'reduced cost base' of those Eligible Shares.

- Cost base

The 'cost base' of Eligible Shares generally includes the cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the Bullseye

Shareholders. The 'reduced cost base' of the Eligible Shares is usually determined in a similar, but not identical, manner.

- Capital proceeds

The 'capital proceeds' received in respect of the disposal of each Bullseye Share should be the consideration received of \$0.31 or \$0.35 per Bullseye Share (as amended or varied under the terms of the Offer).

CGT discount

Australian resident Bullseye Shareholders who are individuals, complying superannuation entities or trusts may be entitled to reduce the amount of any capital gain made on the disposal of their Eligible Shares if they have held their Eligible Shares for at least 12 months prior to the time they accept the Offer or, if later, the time when the Defeating Condition in section 10.6(b) is satisfied or waived (excluding the acquisition date and the date they accept the Offer (or, if later, the date when the Defeating Condition in section 10.6(b) is satisfied or waived)). This reduction is referred to as the 'CGT discount'.

The CGT discount, if it is available, is applied only after any available capital losses have been applied to reduce the capital gain.

This discount rate is 50% for individuals and trusts, and 33.3% for complying superannuation entities. The rules relating to discount capital gains for trusts are complex. As such, Bullseye Shareholders who are trustees should seek independent tax advice on how the CGT discount provisions will apply to the trustee and the trust's beneficiaries. For trustees, the ultimate availability of the discount may depend on a beneficiary's entitlement to a discount.

The CGT discount is not available to, among others, Bullseye Shareholders that:

- are companies; or
- have held their Eligible Shares for less than 12 months.

Capital gains and capital losses made by a Bullseye Shareholder in a year of income from all sources are aggregated to determine whether they make a net capital gain or capital loss for the year of income. A net capital loss is not deductible from the assessable income for a Bullseye Shareholder. However, a net capital loss may be able to be carried forward to reduce capital gains made by the Bullseye Shareholder in future years of income, subject to various requirements being met.

8.3 Non-Australian resident Bullseye Shareholders

For a Bullseye Shareholder who:

- is not a resident of Australia for taxation purposes; and
- does not hold their Eligible Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Eligible Shares will generally only result in CGT implications if, in broad terms:

- (a) that Bullseye Shareholder together with its associates held an interest of 10% or more in Bullseye at the time of disposal or for a 12 month period within two years preceding the disposal (referred to as a '*non-portfolio interest*'); and
- (b) more than 50% of the market value of Bullseye's assets is attributable to direct or indirect interests in '*taxable Australian real property*' (as defined in the income tax legislation).

On the basis that Bullseye has significant Australian real property interests, Bullseye Shareholders that are non-Australian tax residents may be subject to CGT implications as a result of the disposal of their Eligible Shares.

A non-resident individual Bullseye Shareholder who has previously been an Australian tax resident and chose to disregard a capital gain or loss in respect of their Eligible Shares on ceasing to be an Australian tax resident will be subject to CGT consequences on disposal of their Eligible Shares.

Bullseye Shareholders that are non-Australian tax residents should seek their own independent tax advice as to the tax implications of acceptance of the Offer, including the tax implications in their country of residence.

8.4 Foreign Resident Capital Gains Withholding (*FRCGW*)

The FRCGW regime may impose a 12.5% 'withholding' obligation (calculated by reference to the purchase price) on the purchasers of certain assets (including shares which are 'indirect Australian real property interests' as defined in the income tax legislation) in certain circumstances.

The Bidder may be required to withhold under the FRCGW regime if the Eligible Shares qualify as 'indirect Australian real property interests' (see section 8.3 above) and the Bidder:

- (a) knows or reasonably believes that the Bullseye Shareholder is a foreign resident; or
- (b) does not reasonably believe that the Bullseye Shareholder is an Australian resident, and either:
 - (i) the relevant Bullseye Shareholder has an address outside Australia; or
 - (ii) Bidder is authorised to provide a payable to a place outside Australia (whether to the Bullseye Shareholder or to anyone else).

A Bullseye Shareholder may complete a 'foreign resident capital gains withholding declaration – vendor declaration' form (***Declaration Form***) to declare that it is an Australian tax resident or that their Eligible Shares are not an 'indirect Australian real property interest' (see section 8.3 above). The Declaration Form may be obtained on the Australian Taxation Office website.

If the Bullseye Shareholder does not provide an appropriately completed Declaration Form by the relevant time or if the Bidder reasonably believes that the information in the Declaration Form is false, the Bidder may withhold the CGT withholding tax from the Offer price payable to the Bullseye Shareholder. In this case, the Bullseye Shareholder will be taken to receive the full Offer price for the purposes of the Offer.

Any CGT withholding tax withheld may be able to be an offset against the actual tax payable on the gain from the disposal of the Eligible Shares and should be refundable by the Australian Taxation Office to the extent that the CGT withholding tax exceeds the actual tax payable.

Bullseye Shareholders that are non-Australian tax residents should seek their own independent tax advice as to the tax implications of acceptance of the Offer, including the tax implications in their country of residence.

8.5 GST

Bullseye Shareholders should not be liable to pay GST on the transfer of Eligible Shares under the Offer.

Bullseye Shareholders may incur GST on costs (such as adviser fees) that relate to the Offer. Bullseye Shareholders that are registered, or required to be registered, for GST may not be entitled to full input tax credits for any GST payable on such costs but may be entitled to 'reduced

input tax credits' (at the rate of up to 75%) for some acquisitions. This will depend on each Bullseye Shareholder's individual circumstances.

8.6 Stamp duty

Bullseye Shareholders should not be liable to pay any stamp duty on the transfer of Eligible Shares under the Offer.

Any stamp duty payable on the transfer of Eligible Shares under the Offer will be payable by the Bidder.

9 Other Material Information

9.1 ASIC modifications and exemptions

ASIC has published various 'Class Order' instruments providing for modifications and exemptions that apply generally to all persons, including the Bidder, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, the Bidder has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 11 of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements by Bullseye in this Bidder's Statement without obtaining the consent of those persons. As required by Class Order 13/521, the Bidder will make available a copy of these documents (or relevant extracts of these documents), free of charge, to Bullseye Shareholders who request them during the Bid Period. To obtain a copy of these documents (or the relevant extracts), Bullseye Shareholders may telephone Citadel-MAGNUS on +61 8 6160 4901 or mbenino@citadelmagnus.com.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements, which:

- (a) fairly represent what purports to be a statement by an official person; or
- (b) are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (c) are a correct and fair copy of, or extract from, a statement that has already been published in a book, journal or comparable publication.

9.2 Potential for waiver of Defeating Conditions

The Offer is subject to a number of conditions set out in section 10.6, including a minimum acceptance condition (see section 10.6(a)). Under the terms of the Offer and the Corporations Act, any or all of those Defeating Conditions may be waived by the Bidder.

If an event occurs which results (or would result) in the non-fulfilment of a Defeating Condition, the Bidder might not make a decision as to whether it will either rely on that occurrence, or instead waive the Defeating Condition in respect of that occurrence, until the date for giving notice as to the status of the conditions of the Offer under section 630(3) of the Corporations Act (see section 10.7(e)). If the Bidder decides that it will waive a Defeating Condition it will give notice of that decision to Bullseye and lodge a notice with ASIC in accordance with section 650F of the Corporations Act.

In relation to the defeating condition in section 10.6(i):

- (a) The Bidder notes the announcement by the Takeovers Panel and the Declaration of Unacceptable Circumstances and related Orders on 7 February 2022. In particular, Xingao notes that the Takeovers Panel's Declaration refers to circumstances including that:

The Panel considers that Bullseye's target's statement contains material deficiencies including because it:

- a. *does not adequately describe the progress of Bullseye's North Laverton Gold Project, or provide details of the risks associated with it*
- b. *provides insufficient disclosure of production targets and drilling results and discloses mineral resource estimates that are not fully compliant with the JORC Code 2012 and*

- c. *does not provide adequate financial information of subsequent events to Bullseye's 2021 Annual Report.*

Xingao does not intend to, and will not, rely solely on the fact that the Takeovers Panel has made a declaration that identifies the specified deficiencies in Bullseye's target's statement as being a matter that triggers the defeating condition referred to in section 10.6(i)(iii).

- (b) The Takeovers Panel has ordered Bullseye to issue a supplementary target's statement to address these deficiencies. Once the Bidder has had an opportunity to review the supplementary target's statement issued by Bullseye in accordance with the orders of the Takeovers Panel, and if the Bidder considers that the supplementary target's statement contains any material information, not disclosed in the Emerald Offer Target's Statement, that is adverse to Bullseye, the Bidder will notify shareholders within 10 Business Days following the issue of the Bullseye supplementary target's statement if it intends to rely on the deficiencies in the Emerald Offer Target's Statement to determine that the Defeating Condition in section 10.6(i)(iii) is not fulfilled.
- (c) If the due diligence condition described in section 10.6(i) is not satisfied, the Bidder will have to determine whether to waive the condition and proceed with the Offer, or terminate the offer because of the non-satisfaction of the condition. One of the relevant considerations for the Bidder in making this assessment will be the nature and quality of the disclosures made by Bullseye in the supplementary target's statement to be issued in compliance with the orders of the Takeovers Panel and in the target's statement issued in response to this Offer. If the supplementary target's statement, and the target's statement issued in response to this Offer, contain adequate disclosure on the matters important to the Bidder in relation to Bullseye, then the Bidder may form the view that the due diligence condition is no longer necessary and that condition can be waived (or waived in part). The Bidder will make this assessment, and inform shareholders, within 10 Business Days following the later of the receipt of the supplementary target's statement issued by Bullseye in compliance with the order of the Takeovers Panel and the receipt of the target's statement issued by Bullseye in response to this Offer.
- (d) If the Defeating Condition in section 10.6(i) is not satisfied, but the Bidder elects to waive that condition (in whole or part), then the Offer price will be \$0.31 unless the Bidder separately elects to increase the Offer price.

If any of the Defeating Conditions is not fulfilled, and the Bidder decides to rely on that non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Bullseye Shares will be returned to the holder. If the Defeating Condition in section 10.6(b) is not fulfilled, and the Bidder decides to rely on that non-fulfilment, then no contract will be capable of arising at all from acceptance of the Offer.

9.3 Foreign investment approval

The Bidder is a foreign person under the FATA because it is a wholly owned subsidiary of Hong Kong Xinhua (a foreign company), which is in turn a wholly owned subsidiary of Xinhua Zhongbao (a foreign company).

Accordingly, the Offer is subject to the non-objection of the Treasurer, who receives advice from FIRB, under the FATA (see section 10.6(b)). If the Treasurer considers that the result of the acquisition of Bullseye Shares will be contrary to the national interest, the Treasurer may prohibit the acquisition.

The Bidder has filed the necessary application, together with a detailed submission, with FIRB. The Bidder is confident that the Offer is consistent with the Australian Government's foreign investment policy, and is not aware of any reason why foreign investment approval would not be given (and therefore why the relevant Defeating Condition of the Offer would not be satisfied) in due course.

The condition in section 10.6(b) cannot be waived by the Bidder unless the Bidder determines that, as a matter of law, the acquisition by the Bidder of Bullseye Shares under this Offer is not a 'notifiable action' or a 'significant action' as those terms are defined in the FATA.

9.4 Status and effect of other Defeating Conditions

Section 9.3 describes matters relevant to the status, purpose and/or effect of the Defeating Condition in section 10.6(b). This section 9.4 describes the status of the remaining Defeating Conditions of the Offer.

In relation to the Defeating Condition in section 10.6(a):

- (a) to the best of the Bidder's knowledge, the Bidder does not have any relevant interest in Bullseye merely because of the operation of section 608(3) of the Corporations Act; and
- (b) the Defeating Condition will be satisfied if, at the end of the Offer Period, the Bidder and its associates hold a relevant interest in Bullseye Shares of at least 40%, being an increase of 25.15% from the current combined relevant interest of the Bidder and Xinhe as at the date of this Bidder's Statement (excluding any relevant interests that the Bidder has in Bullseye Shares merely because of the operation of section 608(3) of the Corporations Act).

In relation to the Defeating Condition in section 10.6(c), the Bidder is not aware, as at the date of this Bidder's Statement, of any decision, action or investigation that would result in the non-fulfilment of that condition. Nor has the Bidder identified, as at the date of this Bidder's Statement, any particular regulatory actions or approvals that could lead to that condition being triggered. However, it should be noted that it is not feasible for the Bidder to identify in advance all such regulatory actions or related regulatory approvals, as the Bidder has not had access to detailed information regarding Bullseye's operations and assets, and whether they are subject to particular approvals or conditions.

In relation to the Defeating Condition in section 10.6(i)(i)(A)(1), the Bidder notes that Bullseye has not provided the information referred to in that Defeating Condition within the 10 business day period following the Announcement Date specified in that Defeating Condition. As such, this Defeating Condition has been triggered. The Bidder is in the process of reviewing the Supplementary Target's Statement received on 21 February 2022. The Bidder will determine within 10 Business Days following that date whether the Bidder will rely on the non-fulfilment of that Defeating Condition or waive that Defeating Condition. The Bidder will notify Bullseye shareholders once it has made its determination.

As at the date of this Bidder's Statement, the Bidder is not aware of any events or circumstances that would result in the non-fulfilment of any of the remaining Defeating Conditions in section 10.6, although as at the date of this Bidder's Statement, Bullseye has not stated whether or not it intends to provide (or agree to provide) the information to the Bidder in satisfaction of the Defeating Condition in section 10.6(i)(i).

9.5 Takeovers Panel application

Bullseye is currently the subject of an off-market takeover bid from Emerald Resources NL (***Emerald***). On 6 January 2022, the Takeovers Panel received an application by Xinhe seeking a

declaration of unacceptable circumstances, and appropriate orders, relating to a number of concerns Xinhe had in connection with Emerald's takeover bid.

On 13 January 2022, the Takeovers Panel accepted an undertaking from Emerald in relation to Xinhe's application not to process acceptances of, or issue Emerald shares to, accepting Bullseye Shareholders pursuant to Emerald's takeover bid until the determination of the Takeover Panel proceedings.

On 7 February 2022 the Takeovers Panel made a declaration of unacceptable circumstances in relation to the affairs of Bullseye and also made orders to address those unacceptable circumstances (the **Orders**). The declaration of unacceptable circumstances and the associated Orders can be viewed on the Takeovers Panel website: www.takeovers.gov.au.

The Takeovers Panel made the declaration of unacceptable circumstances because, among other things:

- (a) of material deficiencies in the Emerald Offer Target's Statement; and
- (b) a number of actions by Bullseye and Emerald had a limiting effect on the ability for a competing proposal for Bullseye to be made, including:
 - (i) a warranty in the bid implementation agreement between Emerald and Bullseye in relation to the Emerald Offer (**BIA**) that the directors of Bullseye intended to accept the Emerald Offer within seven days of its opening, but was not adequately disclosed;
 - (ii) the short time-frame in which the directors of Bullseye accepted the Emerald Offer;
 - (iii) a delay of one week between the execution by Emerald and Bullseye and the disclosure of the BIA; and
 - (iv) Emerald acquiring a pre-bid stake in Bullseye of 19.45% in the one-week period in which the BIA had been signed by Emerald and Bullseye but not disclosed to shareholders.

The Takeovers Panel also noted that Bullseye's acquiescence to the early dispatch of the Emerald Bidder's Statement and deficiencies in disclosures added to the limiting effect of the actions listed above, particularly given that as Bullseye is an unlisted public company adequate disclosure to shareholders at the time of a takeover bid taking place is particularly important.

9.6 Withdrawal rights for Emerald offer

On 7 February 2022 the Takeovers Panel made Orders in relation to the Emerald Offer for Bullseye. The Orders include orders in the following terms:

- 2. *Emerald must dispatch a supplementary bidder's statement, in a form which ASIC and the Panel (through one or more sitting member) having been provided a draft does not object to, that:*
 - (a) *explains to shareholders the effect of the Panel's declaration and orders*
 - (b) *prominently advises Bullseye shareholders of:*
 - (i) *the right to withdraw their acceptances of the Bid*
 - (ii) *how to exercise the right of withdrawal and*
 - (iii) *the time within which the right to withdraw is available and*

- (c) *offers the withdrawal rights (other than the directors' stakes), for a period of not less than 10 trading days (in total) that meet the following requirements:*
- (i) *trading in Emerald shares is available on market and not subject to any trading halt or trading suspension and*
 - (ii) *the period starts from the date which is the later of the dispatch of Bullseye's supplementary target's statement and the dispatch of Emerald's supplementary bidder's statement.*

Withdrawal

3. *Emerald must offer withdrawal rights to accepting Bullseye shareholders (other than the directors' stakes), which is equivalent to the right conferred by section 650E of the Act (except to the extent contemplated by these orders).*

By operation of these Orders, those Bullseye Shareholders (other than the Directors of Bullseye) who have already accepted the Emerald Offer can withdraw their acceptance and then consider whether to accept this Offer, retain their Bullseye Shares, accept the Emerald Offer or wait to see if any other offer emerges.

The Takeovers Panel has also required:

- (a) Emerald to issue a supplementary bidder's statement that advises those Bullseye Shareholders who have already accepted the Emerald Offer how to exercise their withdrawal rights; and
- (b) Bullseye to issue a supplementary target's statement that adequately rectifies the material disclosure deficiencies of Emerald Offer Target's Statement.

9.7 Social security and superannuation implications of the Offer

Acceptance of the Offer may have implications under your superannuation or pension arrangements or on your social security entitlements. If in any doubt, Bullseye Shareholders should seek specialist advice before accepting the Offer.

9.8 Approvals for payment of consideration

The Bidder is not aware of any Bullseye Shareholders who require any approval referred to in section 10.8(e) in order to be entitled to receive any consideration under the Offer.

So far as the Bidder is aware, unless the Reserve Bank of Australia has given specific approval under the *Banking (Foreign Exchange) Regulations 1959* (Cth), payments or transfers to, by the order of or on behalf of prescribed governments (and their statutory authorities, agencies and entities) and, in certain cases, nationals of prescribed countries are subject to certain limited exceptions, restrictions or prohibitions. Based on the Bidder's searches, the prescribed governments, countries and entities are as follows:

- supporters of the former government of the Federal Republic of Yugoslavia;
- ministers and senior officials of the Government of Zimbabwe, as well as senior management of state-owned enterprises of Zimbabwe; and
- certain entities and individuals associated with the Democratic People's Republic of Korea.

Part 4 of the *Charter of the United Nations Act 1945* (Cth) prohibits funds and other financial assets from being provided to specified persons associated with terrorism. The places to which, and persons to whom the *Charter of the United Nations Act 1945* (Cth) currently applies include places and persons specified in regulations made under the *Charter of the United Nations Act*

1945 (Cth), and any person or entity listed as being associated with terrorism by the Australian Minister for Foreign Affairs in the Commonwealth of Australia Gazette for the purposes of Part 4 of the *Charter of the United Nations Act 1945* (Cth).

The places to which, and persons to whom, the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth) currently apply include the Taliban, a member of the Al-Qaida organisation (also known as the Al-Qaeda organisation), and any person named on the list maintained pursuant to United Nations Resolution 1390 (2002) by the Committee of the United Nations Security Council established pursuant to United Nations Resolution 1267 (1999).

The places to which and persons to whom the *Charter of the United Nations (Sanctions - Afghanistan) Regulations 2001* (Cth) currently apply include the Taliban Territory, a bin Laden Entity and a Taliban Entity (as those terms are defined in those regulations).

The *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cth) apply in respect of certain assets of the previous government of Iraq, assets removed from Iraq, or acquired, by or on behalf of senior officials of the previous government of Iraq or their immediate families, and certain other assets specified in the regulations. Transactions involving such assets (including, if relevant, Bullseye Shares) require Ministerial approval.

9.9 Withholding of consideration

The Bidder is not currently aware of any amounts that are or would be treated as withholding amounts under section 10.8(f). However, it is possible that the Bidder may become aware of an obligation in this regard after the date of this Bidder's Statement.

For example, under section 255 of the *Income Tax Assessment Act 1936* (Cth), the Australian Taxation Office may notify the Bidder that all or part of the consideration otherwise payable under the Offer to Bullseye Shareholders who are non-residents of Australia is to be retained by the Bidder, or paid to the Australian Taxation Office, instead of being paid to the relevant Bullseye Shareholders. Similarly, under section 260-5 of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the Australian Taxation Office may require the Bidder to pay to the Australian Taxation Office all or part of the consideration otherwise payable under the Offer to Bullseye Shareholders who owe tax-related debts to the Australian Government.

9.10 Consents

This Bidder's Statement contains statements made by, or statements based on statements made by, Xinhua Zhongbao, Hong Kong Xinhua and Xinhe. Each of Xinhua Zhongbao, Hong Kong Xinhua and Xinhe has consented to being named in this Bidder's Statement and has consented to the inclusion of:

- each statement it has made; and
- each statement which is said in this Bidder's Statement to be based on a statement it has made,

in the form and context in which the statements have been included, and has not withdrawn that consent.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC. Under the terms of ASIC Class Order 13/521, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this Bidder's Statement. See section 9.1.

9.11 Other material information

Except as disclosed in this Bidder's Statement, there is no other information that:

- is material to the making of the decision by a Bullseye Shareholder whether or not to accept the Offer; and
- is known to the Bidder,

which has not previously been disclosed to Bullseye Shareholders.

10 Offer Terms

10.1 Offer

- (a) The Bidder offers to acquire up to all of your Eligible Shares on the terms and subject to the conditions set out in this section 10.
- (b) You may accept this Offer for all or some of your Eligible Shares. If you accept this Offer for some of your Eligible Shares, you may still accept the Offer for all or part of the balance of your Eligible Shares at any time during the Offer Period, as if an offer in the form of this Offer had been made to you in respect of the balance of your Eligible Shares.
- (c) Subject to section 10.1(d), the consideration offered for each of your Eligible Shares is \$0.31 in cash.
- (d) The Offer price will be increased to \$0.35 per Eligible Share if the following two conditions are satisfied:
 - (i) the due diligence condition described in section 10.6(i); and
 - (ii) the minimum acceptance condition described in section 10.6(a).
- (e) If the Bidder acquires any of your Eligible Shares under this Offer, it will also be entitled to all Rights in respect of those Eligible Shares.
- (f) This Offer is dated 3 March 2022.

10.2 Offer Period

- (a) This Offer will remain open for acceptance during the period that commences on the date of this Offer and ends at 5.00 pm (Perth time) on 3 April 2022, unless this Offer is withdrawn or that period is extended in accordance with the Corporations Act.
- (b) The Bidder may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.

10.3 How to accept this Offer

(a) General

To accept this Offer in respect of all or some of those Eligible Shares you must:

- (i) **complete** and **sign** the enclosed Acceptance Form in accordance with the instructions on it; and
- (ii) **return** the Acceptance Form together with all other documents required by the instructions on it (including the relevant share certificate(s) for the Accepted Shares), so that they are **received** before the end of the Offer Period at one of the addresses indicated on the Acceptance Form. You may elect to return your Acceptance Form by email in accordance with the instructions on it.

(b) **Level of acceptance**

As noted in section 10.1(b), you have the option of accepting this Offer for all or some of your Eligible Shares, as chosen by you. Those of your Eligible Shares that are subject to your acceptance will constitute the **Accepted Shares**, and will comprise:

- (i) if you specify all of your Eligible Shares as being subject to acceptance – all of your Eligible Shares at the date your acceptance is processed (even if the number of Eligible Shares specified on the Acceptance Form differs from the number of your Eligible Shares);
- (ii) if you specify a number of Eligible Shares that is less than the number of your Eligible Shares at the date your acceptance is processed – that number of Eligible Shares;
- (iii) if you specify a number of Eligible Shares that is greater than the number of your Eligible Shares at the date your acceptance is processed – all of your Eligible Shares at the date your acceptance is processed; or
- (iv) if you do not specify the number of your Eligible Shares being subject to acceptance, or if you provide conflicting instructions on your Acceptance Form regarding the number of your Eligible Shares being subject to acceptance – all of your Eligible Shares at the date your acceptance is processed (even if the number of Eligible Shares specified on the Acceptance Form differs from the number of your Eligible Shares).

For this purpose, specification of the number of your Eligible Shares being subject to acceptance must be in the Acceptance Form.

10.4 Status and effect of the Acceptance Form

(a) **Status of Acceptance Form**

The Acceptance Form that accompanies this Bidder's Statement forms part of this Offer, and the instructions on the Acceptance Form must be followed in using it to accept this Offer.

(b) **Effect of Acceptance Form**

By signing and returning the Acceptance Form in accordance with section 10.3, you irrevocably authorise the Bidder and its nominees to rectify any errors in, or omissions from, the Acceptance Form that are necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of all of the Accepted Shares to the Bidder;

(c) **Validation of Acceptance Form**

Notwithstanding section 10.3, the Bidder may treat the receipt by it of a signed Acceptance Form either:

- (i) before the end of the Offer Period; or
- (ii) after the end of the Offer Period but where the Acceptance Form is sent by post and the envelope in which it is posted is post-marked before the end of the Offer Period,

as valid even though it does not receive the other documents required by the instructions on the Acceptance Form (including the share certificate, if any) or there is not compliance with any one or more of the other requirements for acceptance. If the Bidder does treat such an Acceptance Form as valid, subject to section 10.8, the Bidder will not be obliged to give the consideration to you until the Bidder receives all those documents (including,

for the avoidance of doubt, any share certificate) and all of the requirements for acceptance referred to in section 10.3 and in the Acceptance Form have been met (other than the requirement of your Acceptance Form to be received before the end of the Offer Period).

(d) **Risk in Acceptance Form**

The transmission by you of the Acceptance Form and any other documents in accordance with section 10.3 is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of the Bidder.

10.5 Agreement resulting from acceptance

By signing and returning the Acceptance Form or initiating or causing acceptance of this Offer in accordance with section 10.3:

- (a) you accept this Offer in respect of the Accepted Shares, and agree to the terms and conditions of this Offer;
- (b) subject to all of the Defeating Conditions being fulfilled or waived, you transfer, and consent to the transfer of, all of the Accepted Shares to the Bidder in accordance with this Offer and subject to the conditions of the constitution of Bullseye on which they were held immediately before your acceptance of this Offer (and the Bidder agrees to take those Bullseye Shares subject to those conditions);
- (c) you represent and warrant to the Bidder that, at the time of your acceptance and at the time the transfer of the Accepted Shares to the Bidder is registered, all of the Accepted Shares are and will be fully paid, and the Bidder will acquire good title to them and full beneficial ownership of them free from all Encumbrances;
- (d) subject to all of the Defeating Conditions being fulfilled or waived, you irrevocably appoint the Bidder and each of its directors and nominees severally as your attorney to exercise all powers and rights that you have as the registered holder of the Accepted Shares, including:
 - (i) attending any meeting of Bullseye, and voting in respect of the Accepted Shares, proposing or seconding any motion, and demanding a poll for any vote at, any such meeting;
 - (ii) requisitioning the convening of any general meeting of Bullseye and convening a general meeting pursuant to any such requisition; and
 - (iii) signing any form, notice, instrument or other document (including any proxy appointment) relating to the Accepted Shares.

Such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer (either in accordance with its terms or under section 650E of the Corporations Act) and the end of the Offer Period or, if all Defeating Conditions of the Offer have been fulfilled or waived, the registration of the Bidder as the holder of the Accepted Shares;

- (e) you agree that, in exercising the powers and rights conferred by the power of attorney in section 10.5(d), each attorney may act in the interests of the Bidder as the intended registered holder and beneficial owner of the Accepted Shares;
- (f) except as contemplated by section 10.5(d) and while the appointment in that section continues, you agree not to attend or vote in person or by proxy, attorney or corporate representative at any meeting of Bullseye as holder of the Accepted Shares, or to exercise or purport to exercise (in person or by proxy, attorney, or corporate

representative or otherwise) any of the powers conferred by the power of attorney in section 10.5(d);

- (g) you irrevocably authorise and direct Bullseye to pay to the Bidder, or to account to the Bidder for, all Rights in respect of the Accepted Shares (except to the extent that the Bidder elects to waive its entitlement to those Rights), subject, however, to any such Rights received by the Bidder being accounted for by the Bidder to you if any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (h) subject to all of the Defeating Conditions being fulfilled or waived, you irrevocably authorise the Bidder and its nominees to do all things necessary to transfer the Accepted Shares to the Bidder even if the Bidder has not at that time paid or provided the consideration due to you under this Offer; and
- (i) you agree to indemnify the Bidder and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you.

10.6 Defeating Conditions

Subject to section 10.7, this Offer and any contract resulting from your acceptance of this Offer are subject to the fulfilment of the following Defeating Conditions.

(a) **Minimum acceptance**

During, or at the end of, the Offer Period, the Bidder and its associates together have relevant interests (disregarding any relevant interests that the Bidder has merely because of the operation of section 608(3) of the Corporations Act) in at least 40% of the Bullseye Shares.

(b) **FIRB approval**

Prior to the end of the Offer Period, either of the following occur:

- (i) the Treasurer (or their delegate) provides written notice under the FATA stating that, or to the effect that, the Commonwealth Government has no objection to the acquisition of Eligible Shares under the Offer; or
- (ii) following the Bidder giving notice under the FATA of the acquisition of Eligible Shares under the Offer, the Treasurer becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the acquisition of Eligible Shares under the Offer, and the 10 day period referred to in section 82(2)(a) of the FATA has ended or the period referred to in section 82(2)(b) of the FATA has ended (whichever is applicable).

(c) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (iii) no application is made to any Public Authority (other than by the Bidder or any of its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act) that restrains,

prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Offer or the acquisition of Eligible Shares under the Offer or the completion of any transaction contemplated by this Bidder's Statement, or seeks to require the divestiture by the Bidder of any Eligible Shares, or the divestiture of any material assets of the Bullseye Group or the Bidder.

(d) **No prescribed occurrences**

During the period from the Announcement Date to the date that is three Business Days after the end of the Offer Period (each inclusive), none of the following occurrences (being the prescribed occurrences listed in section 652C of the Corporations Act) happens:

- (i) Bullseye converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (ii) Bullseye or a subsidiary of Bullseye resolves to reduce its share capital in any way;
- (iii) Bullseye or a subsidiary of Bullseye enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Bullseye or a subsidiary of Bullseye issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Bullseye or a subsidiary of Bullseye issues, or agrees to issue, convertible notes;
- (vi) Bullseye or a subsidiary of Bullseye disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Bullseye or a subsidiary of Bullseye grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (viii) Bullseye or a subsidiary of Bullseye resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Bullseye or of a subsidiary of Bullseye is appointed;
- (x) a court makes an order for the winding up of Bullseye or of a subsidiary of Bullseye;
- (xi) an administrator of Bullseye or of a subsidiary of Bullseye is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Bullseye or a subsidiary of Bullseye executes a deed of company arrangement;
or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Bullseye or a subsidiary of Bullseye.

(e) **No material acquisitions, disposals or new commitments**

None of the following events occurs between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) Bullseye or another member of the Bullseye Group acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets, other than an interest in a member of the Bullseye Group which is held by another person for the benefit of any other member of the Bullseye Group) or makes an agreement for an amount or

consideration in excess of \$400,000 for any individual item or in excess of \$2,000,000 in aggregate;

- (ii) Bullseye or another member of the Bullseye Group disposes of or agrees to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) or makes an agreement for an amount or consideration in excess of \$400,000 for any individual item or in excess of \$800,000 in aggregate;
- (iii) a member of the Bullseye Group enters into, agrees to enter into or amends or agrees to amend any farm-in, farm-out, joint venture or partnership or other agreement or arrangement that requires or is reasonably likely to involve payments, expenditure or the foregoing of revenue, by a member of the Bullseye Group in excess of \$400,000 in aggregate;
- (iv) a tenement, permit or licence granted to or held by any member of the Bullseye Group relating to the Bullseye Projects is revoked, surrendered, relinquished or terminated or a member of the Bullseye Group agrees to the same without there being a reasonable likelihood of such tenement, permit or licence being allowed to continue, renewed or extended on terms which are no less favourable to the member of the Bullseye Group;
- (v) Bullseye or another member of the Bullseye Group acquires or disposes of any shares or other securities in any body corporate or any units in any trust, or substantially all of the assets of any business except where the aggregate consideration (agreed on an arm's length basis) paid or received by all members of the Bullseye Group for all such acquisitions or disposals does not exceed \$400,000 or enters into, or terminates any participation in, any partnership, joint venture or similar commitment;
- (vi) Bullseye or another member of the Bullseye Group borrows an amount which when combined with all other amounts borrowed since the Announcement Date exceeds \$750,000 or enters into any swap, option, futures contract, forward commitment or other derivative transaction; or
- (vii) Bullseye or another member of the Bullseye Group enters into, waives any material rights under, varies or terminates any contract, commitment or arrangement which may require annual expenditure by the relevant member of the Bullseye Group in excess of \$750,000 or is otherwise of material importance to the business of the Bullseye Group.

(f) **No Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Material Adverse Change occurs.

(g) **No change of control rights**

Between the Announcement Date and the end of the Offer Period (each inclusive) no person has or will have any right as a result of:

- (i) the Bidder making the Offer or announcing its intention to make the Offer, or acquiring Eligible Shares under the Offer; or
- (ii) Emerald making the Emerald Offer or acquiring Bullseye Shares under the Emerald Offer,

to:

- (iii) acquire, or require the disposal of, or require any entity within the Bullseye Group to offer to dispose of, any material asset of any entity within the Bullseye Group;
- (iv) terminate, or vary the term or performance of, any material agreement with any entity within the Bullseye Group;
- (v) terminate, or vary the terms of any material approvals, licences or permits issued by any Public Authority to any entity within the Bullseye Group; or
- (vi) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Bullseye Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Bullseye Group to borrow moneys or incur indebtedness,

other than as fully and fairly disclosed by Bullseye to the Bidder (including in the Emerald Offer Target's Statement) prior to the Announcement Date.

(h) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), Bullseye does not make, determine as payable or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(i) **Due Diligence**

(i) Equal access to information

At all times during the period from the Announcement Date to the end of the Offer Period (both inclusive), Bullseye provides to the Bidder a copy of:

- (A) all information that is not generally available (within the meaning of the Corporations Act) relating to Bullseye or any controlled entity of Bullseye or any of their respective businesses or operations that has been provided by Bullseye or any of their respective officers, employees, advisers or agents to:
 - (1) Emerald (or any employee, officer, advisor or consultant of or to Emerald Resources NL) during the period from 6 November 2020 until the date of the Announcement with such information to be provided promptly (and in any event within 10 Business Days) of the Announcement Date;
 - (2) Emerald (or any employee, officer, advisor or consultant of or to Emerald Resources NL) following the date of the Announcement with such information to be provided to the Bidder promptly (and in any event within two Business Days) of it being provided to Emerald; or
 - (3) any person (other than the Bidder) for the purposes of soliciting, encouraging or facilitating a proposal or offer (including, without limitation, any offer existing at the Announcement Date) by that person, or by any other person, in relation to a transaction under which:
 - a. any person (together with its associates) may acquire voting power of 10% or more in Bullseye or any controlled entity of Bullseye (whether by way of takeover bid, compromise or arrangement under Part 5.1 of the Corporations Act or otherwise);

b. any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Bullseye or any controlled entity of Bullseye; or

c. that person may otherwise acquire control or merge or amalgamate with Bullseye or any controlled entity of Bullseye,

with such information to be provided to the Bidder promptly (and in any event within two Business Days) of it being provided to that person;

- (B) all results, analyses and other related information in relation to or arising from the most up to date drill hole database maintained by, or in the possession of, a member of the Bullseye Group including, without limitation, information such as:
- (1) the drill hole collar location, downhole survey, lab assay results, and geological loggings.
 - (2) the most recent resource model(s), any internal or independent resource modelling and analysis completed in respect of any of the North Laverton Gold Project, the Southern Cross Project and the Aurora Project.
 - (3) open pit operation data and other production data in 2021, and mining reconciliation reports for open pit operations in 2021.
 - (4) any geochemistry and geophysics information to assist to evaluate the Projects' exploration potential; and
- (C) all information in relation to the status of the tenements which are the subject of Warden's court proceedings.

(ii) Directors' statement of compliance

The Target's Statement issued by Bullseye in response to the Offer including a statement on behalf of the directors of Bullseye that, as at the date of the Target's Statement, Bullseye has satisfied the 'Equal access to information' condition described above and that none of the information disclosed in compliance with that condition set out in sections 10.6(i)(i)(A) to 10.6(i)(i)(C) (inclusive) has become incorrect or misleading or deceptive (including by omission) including as a result of any information coming into the possession of Bullseye since that information was provided to the Bidder.

(iii) Emerald Offer Target's Statement not misleading

Nothing in the information provided by Bullseye to the Bidder (including any information provided in compliance with the 'Equal access to information' condition set out in sections 10.6(i)(i)(A) to 10.6(i)(i)(C) (inclusive)) identifying that the Emerald Offer Target's Statement (and any Supplementary Target's Statement) issued by Bullseye does not comply in all respects with the requirements of section 636(1) or section 643(1) of the Corporations Act.

(j) **Rehabilitation liability**

The rehabilitation liabilities in respect of the Bullseye Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Offer Period.

(k) **Share capital**

As at the Announcement Date:

- (i) there are no more than 445,599,851 Bullseye Shares on issue; and
- (ii) there are no securities convertible into Bullseye Shares.

(l) **Conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Bullseye Group without the prior written consent of the Bidder:

- (i) **(constitution)** changes its constitution (including adopting a new constitution or modifying or repealing its constitution or a provision of it) or passes any special resolution of shareholders;
- (ii) **(guarantee)** enters into any guarantee, indemnity or guarantee and indemnity on behalf of any member of the Bullseye Group in relation to an amount in excess of \$400,000;
- (iii) **(directors and key management personnel)** increases the remuneration or otherwise materially varies the engagement terms of or employment arrangements with any director of a member of the Bullseye Group or any key management personnel of the Bullseye Group where the total annual employment cost of that director or employee equals or exceeds \$200,000, except in accordance with contractual arrangements in existence on the Announcement Date or any determination of a board of a member of the Bullseye Group made prior to the Announcement Date;
- (iv) **(third party agreement)** without prejudice to any other conditions, enters into or agrees to enter into any agreement or commitment with a third party that would require expenditure, the foregoing of revenue or the incurring of a liability by one or more members of the Bullseye Group in excess of \$400,000;
- (v) **(change to nature of business)** enters into any unusual or abnormal contract or commitment which is outside the ordinary course of Bullseye's business and which could reasonably be expected to:
 - (A) change the nature of the business conducted by the Bullseye Group; or
 - (B) have a material adverse impact on the business conducted by the Bullseye Group;
- (vi) **(advisers)** pays or agrees to pay the costs and expenses of all advisers to Bullseye Group in connection with the Offer where such costs and expenses exceed \$250,000;
- (vii) **(accelerated rights)** accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including, without limitation, the vesting of any performance rights);
- (viii) **(remuneration and payments)** increases the remuneration of, makes any bonus payment, retention payment or termination payment to, or otherwise changes the terms and conditions of employment of:
 - (A) any directors of Bullseye; or

- (B) any employee of any member of the Bullseye Group whose total employment cost exceeds \$250,000.
- (ix) **(expenditure and Encumbrances)** incurs capital expenditure exceeding \$750,000 or, except in the ordinary course of trading, transfers or otherwise disposes of or creates any Encumbrance in respect of, assets having a value exceeding \$400,000;
- (x) agrees, conditionally or otherwise, to do any of the things referred to in sub-paragraph (i) to (ix), or announces or represents to any person that any of those things will be done.

10.7 Nature and operation of Defeating Conditions

(a) Nature of Defeating Conditions

- (i) The Defeating Condition in section 10.6(b) is a condition precedent to the Bidder's acquisition of any interest in Bullseye Shares. Notwithstanding your acceptance of this Offer, unless and until the Defeating Condition in section 10.6(b) has been fulfilled or waived:
 - (A) no contract for the sale of your Eligible Shares will come into force or be binding on you or the Bidder;
 - (B) the Bidder will have no rights (conditional or otherwise) in relation to your Eligible Shares; and
 - (C) you will be entitled to withdraw your acceptance in respect of your Eligible Shares by sending a notice to that effect signed by you (or on your behalf, in which case documentation proving that the person or persons signing the notice are authorised to do so must accompany the notice) to any of the addresses specified on the Acceptance Form so that it is received at the relevant address at any time prior to the fulfilment or waiver of that Defeating Condition.
- (ii) Each of the other Defeating Conditions is a condition subsequent to the formation of a binding contract upon your acceptance of this Offer. None of those Defeating Conditions prevents a contract to sell your Eligible Shares resulting from your acceptance of this Offer, but non fulfilment of any of those Defeating Conditions at the end of the Offer Period will have the consequences set out below:
 - (A) breach of any of those Defeating Conditions entitles the Bidder to rescind that contract by written notice to you; and
 - (B) non fulfilment of any of those Defeating Conditions at the end of the Offer Period will have the consequences set out in section 10.7(f).

(b) Separate Defeating Conditions for benefit of the Bidder

- (i) Section 10.6(b) and each other paragraph and each sub-paragraph of each other paragraph of section 10.6 constitutes, and is to be construed as, a separate, several and distinct Defeating Condition. No Defeating Condition will be taken to limit the meaning or effect of any other Defeating Condition.
- (ii) Subject to the Corporations Act and to section 10.7(a)(i), the Bidder alone is entitled to the benefit of the Defeating Conditions and to rely on breach or non-fulfilment of, or to waive, any of those conditions.

(c) **Fulfilment of Defeating Conditions**

The Bidder will use all reasonable endeavours to ensure that the Defeating Condition contained in section 10.6(b) is fulfilled as soon as possible after the date of this Bidder's Statement.

(d) **Waiver of Defeating Conditions**

Subject to the Corporations Act, the Bidder may free this Offer and any contract resulting from your acceptance of this Offer from all or any of the Defeating Conditions generally or in relation to a specific occurrence by giving written notice to Bullseye:

- (i) in the case of the Defeating Conditions in section 10.6(d) – not later than three business days after the end of the Offer Period; and
- (ii) in the case of the other Defeating Conditions – not less than seven days before the last day of the Offer Period.

(e) **Notice on status of Defeating Conditions**

The date for giving the notice as to the status of the Defeating Conditions required by section 630(1) of the Corporations Act is 25 March 2022 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

(f) **Contract void if Defeating Conditions not fulfilled**

Your acceptance of this Offer, and any contract resulting from your acceptance of this Offer, will be automatically void if:

- (i) at the end of the Offer Period, any of the Defeating Conditions is not fulfilled; and
- (ii) the Bidder has not declared this Offer and any contract resulting from your acceptance of it free from that Defeating Condition in accordance with section 10.7(d).

10.8 Payment of consideration

(a) **When you will generally be paid**

Subject to this section 10.8 and the Corporations Act, if you accept this Offer and the Defeating Conditions are fulfilled or waived, the Bidder will pay you the consideration for your Eligible Shares under this Offer on or before the earlier of the day that is:

- (i) one month after the date of your acceptance or, if at the time of your acceptance this Offer is subject to a Defeating Condition, one month after any contract resulting from your acceptance of this Offer becomes, or is declared, unconditional; and
- (ii) 21 days after the end of the Offer Period.

(b) **Payment where additional documents required**

Where additional documents are required, either by the Acceptance Form or otherwise, to be given to the Bidder with your acceptance to enable the Bidder to become the holder of your Eligible Shares (such as a power of attorney) then, subject to sections 10.8(c) to 10.8(f) and the Corporations Act:

- (i) if those documents are given to the Bidder with your acceptance, the Bidder will pay you the consideration for your Eligible Shares in accordance with section 10.8(a);

- (ii) if those documents are given to the Bidder after your acceptance and before the end of the Offer Period, while this Offer is subject to a Defeating Condition, the Bidder will pay you the consideration for your Eligible Shares by the earlier of:
 - (A) one month after any contract resulting from your acceptance of this Offer becomes, or is declared, unconditional; and
 - (B) 21 days after the end of the Offer Period;
- (iii) if those documents are given to the Bidder after your acceptance and before the end of the Offer Period, while this Offer is not subject to a Defeating Condition, the Bidder will pay you the consideration for your Eligible Shares by the earlier of:
 - (A) one month after the Bidder is given those documents; and
 - (B) 21 days after the end of the Offer Period; and
- (iv) if those documents are given to the Bidder after the end of the Offer Period, the Bidder will pay you the consideration for your Eligible Shares within 21 days after those documents are given. However, if, at the time those documents are given to the Bidder, the contract resulting from your acceptance of this Offer is still subject to a Defeating Condition in section 10.6(d), the Bidder will pay you the consideration for your Eligible Shares within 21 days after the contract becomes, or is declared, unconditional.

(c) **Delivery of consideration**

Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of Bullseye Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or the address last notified to the Bidder by Bullseye.

Alternatively you may elect for the payment of any cash amount to which you are entitled to be made by electronic funds transfer or direct deposit by completing the relevant section of the Acceptance Form, including by providing complete and accurate bank account details (being a bank account in the name of the Bullseye Shareholder who is accepting the Offer) into which the cash amount should be transferred or deposited.

(d) **Rights**

If the Bidder becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to the Bidder all documents necessary to vest title to those Rights in the Bidder, or otherwise to give the Bidder the benefit or value of those Rights. If you do not do so, or if you have received or are entitled to receive (or any previous holder of your Eligible Shares has received or is entitled to receive) the benefit of those Rights, the Bidder will be entitled to deduct the amount (or an amount equal to the value, as reasonably assessed by the Bidder) of those Rights from any consideration otherwise payable to you under this Offer. If the Bidder does not, or cannot, make such a deduction, you must pay that amount to the Bidder, except to the extent that the Bidder elects to waive its entitlement to those Rights.

(e) **Non-Australian residents**

If, at the time of acceptance of this Offer, any authority or clearance of a Public Authority is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:

- (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);

- (ii) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
- (iii) the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
- (iv) the *Charter of the United Nations (Sanctions - Afghanistan) Regulations 2001* (Cth);
- (v) the *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cth); or
- (vi) any other law of Australia that would make it unlawful for the Bidder to provide consideration for your Eligible Shares,

applies then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by the Bidder. See section 9.8 for information known to the Bidder as to whether this restriction may apply to you.

(f) **Withholding of consideration by the Bidder**

If any amount (the ***withholding amount***) is required, under any Australian law or by any Public Authority, to be:

- (i) withheld from any consideration otherwise payable to you under this Offer and paid to a Public Authority; or
- (ii) retained by the Bidder out of any consideration otherwise payable to you under this Offer,

the payment or retention by the Bidder of the withholding amount (as applicable) will constitute full discharge of the Bidder's obligation to pay the consideration to you to the extent of the withholding amount.

10.9 Offerees

(a) **Registered holders**

The Bidder is making an offer in the form of this Offer to each person registered as the holder of Eligible Shares in the register of members of Bullseye as at the Register Date.

For the avoidance of doubt, the Offer does not extend to any other securities currently on issue, or to any Bullseye Shares issued after the Register Date (including Bullseye Shares issued on conversion of any other convertible securities).

(b) **Transferees**

If at any time during the Offer Period another person is able to give good title to some or all of your Eligible Shares, and that person has not already accepted an offer in the form of this Offer for those Eligible Shares, then that person may accept as if an offer in the form of this Offer had been made to them in respect of those Eligible Shares.

(c) **Trustees and nominees**

If at any time during the Offer Period and before you accept this Offer your Eligible Shares consist of two or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your Eligible Shares as trustee or nominee for, or otherwise on account of, several distinct beneficial owners), then you may accept as if a separate offer in the form of this Offer had been made in relation to each of those parcels (including any parcel you hold in your own right). Acceptance for any parcel of Eligible Shares (including any parcel consisting of two or more parcels) is ineffective unless your acceptance specifies the number of Eligible Shares in the parcel.

(d) **Eligible Shares subject to Bullseye transfer restrictions**

If at any time during the Offer Period some of your Eligible Shares are subject to transfer restrictions imposed by Bullseye, then you may accept as if a separate offer in the form of this Offer had been made in relation to the balance of your Eligible Shares. Acceptance for the balance of your Eligible Shares is ineffective unless you give the Bidder notice stating the number of your Eligible Shares that are subject to a transfer restriction and explaining the nature of the restriction, and your acceptance specifies the balance of your Eligible Shares.

10.10 Additional copies of Offer documents

If, for the purpose of accepting the Offer, you require additional copies of this Bidder's Statement and the Acceptance Form, please contact the Bidder's hotline on +61 8 6160 4901 or contact via email at mabenino@citadelmagnus.com to request those additional copies.

10.11 Variation and withdrawal of Offer

(a) **Variation**

The Bidder may vary this Offer in accordance with the Corporations Act.

(b) **Withdrawal**

This Offer may be withdrawn with the written consent of ASIC, which consent may be subject to conditions. If so, the Bidder will give notice of the withdrawal to Bullseye and will comply with any other conditions imposed by ASIC.

10.12 Costs and stamp duty

The Bidder will pay all costs and expenses of the preparation and circulation of this Offer and any Australian stamp duty payable on the transfer of any Bullseye Shares to the Bidder under this Offer.

10.13 Governing law and jurisdiction

This Offer and any contract resulting from your acceptance of this Offer are governed by the laws of Western Australia. In relation to them and related non contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

11 Definitions and Interpretation

11.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context requires otherwise:

Acceptance Form means the acceptance form enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of the Bidder.

Accepted Shares has the meaning given in section 10.3(b).

Announcement Date means 3 February 2022.

Approval means:

- (a) a consent, authority, licence, approval, order, ruling, waiver or exemption that is required by law or by a Public Authority; or
- (b) in relation to anything that will be fully or partly prohibited or restricted by law if a Public Authority intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry or termination of that period without intervention or action.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

Bid Period means the period between the date on which this Bidder's Statement was provided to Bullseye and the end of the Offer Period (both inclusive).

Bidder means Au Xingao Investment Pty Ltd (ACN 603 261 052), a wholly owned subsidiary of Hong Kong Xinhua.

Bidder's Statement means this document, being the statement of the Bidder under Part 6.5 of the Corporations Act relating to the Offer.

Business Day means a business day as defined in the Listing Rules of ASX.

Bullseye means Bullseye Mining Limited (ACN 118 341 736).

Bullseye Board means the board of directors of Bullseye.

Bullseye Director means a director on the Bullseye Board.

Bullseye Group means Bullseye and its Related Entities as at the date of this Bidder's Statement.

Bullseye Projects means Bullseye's three gold projects in Western Australia as at the date of this Bidder's Statement.

Bullseye Share means a fully paid ordinary share in Bullseye.

Bullseye Shareholder means a person registered in the register of members of Bullseye as a holder of Bullseye Shares.

CGT means Australian capital gains tax.

Corporations Act means the *Corporations Act 2001* (Cth).

Defeating Condition means each condition set out in section 10.6.

District Court Proceedings has the meaning given in section 4.5.

Eligible Share means a Bullseye Share on issue at the Register Date.

Emerald means Emerald Resources NL (ACN 009 795 046).

Emerald Bidder's Statement means the Bidder's Statement issued by Emerald dated 8 December 2021.

Emerald Offer means the takeover offer by Emerald announced on 7 December 2021 and as set out in the Emerald Bidder's Statement.

Emerald Offer Target's Statement means the Target's Statement dated 28 December 2021 issued by Bullseye in response to the Emerald Offer, and includes any Supplementary Target's Statement issued by Bullseye in relation to the Emerald Offer prior to the date of this Bidder's Statement.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB means the Foreign Investment Review Board.

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts of the Commonwealth of Australia.

Hong Kong Xinhua means Hong Kong Xinhua Investment Co., Ltd, a wholly owned subsidiary of Xinhua Zhongbao.

Material Adverse Change means:

- (a) any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Bullseye Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph 9.4, which occurred before the date of this Bidder's Statement but was not apparent from public filings of Bullseye before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Bullseye Group exceeds \$750,000, but does not include:

- (c) anything which has arisen solely as a result of actions taken by any member of the Bullseye Group either in the ordinary course of its business or with the prior written approval of the Bidder;
- (d) those events or circumstances required to be done or procured by Bullseye pursuant to this Bidder's Statement;
- (e) those events or circumstances relating to:
 - (i) changes in the global gold industry or security markets generally or a change in the market price of gold which impacts on Bullseye and its competitors in a similar manner;
 - (ii) changes in law or in general economic, political or business conditions occurring after the date of this Bidder's Statement that impact Bullseye and its competitors in a similar manner; or
 - (iii) changes in generally accepted accounting principles or the interpretation of them;

- (f) those events or circumstances resulting from:
 - (i) an act of God, act of war declared or undeclared, public disorder, riot, civil disturbance, insurrection, rebellion, sabotage, cyber-attack or act of terrorists, pandemic (or worsening of it), technical failure, cable transmission and/or satellite failure or degradation, accident, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide or adverse weather conditions occurring on or after the date of this Bidder's Statement; or
 - (ii) any deterioration in equity or debt markets, interest rates, exchange rates or credit spreads that impact Bullseye and its competitors in a similar manner; or
- (g) an event, circumstance, matter or information that has been disclosed by Bullseye in public filings by Bullseye with ASIC.

Offer means, as the context requires, the offer for Eligible Shares contained in section 10, or the off-market takeover bid constituted by that offer and each other offer by the Bidder for Eligible Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act.

Offer Amount has the meaning given in section 6.1.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with section 10.2.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Register Date means 8 am on 15 February 2022, being the date set by the Bidder under section 633(2) of the Corporations Act.

Related Entity means, in relation to a person, any entity that is related to that person within the meaning of section 50 of the Corporations Act or that is in an economic entity (as defined in any approved Australian accounting standard) that is controlled by that person.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from the Eligible Shares directly or indirectly at or after the date of this Bidder's Statement (including all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Bullseye or any subsidiary of Bullseye).

Supreme Court Proceedings has the meaning given in section 4.5.

Treasurer means the Treasurer of the Commonwealth of Australia.

VWAP means volume weighted average price.

your Eligible Shares means, subject to section 10.9:

- (a) the Eligible Shares in respect of which you are registered or entitled to be registered as a holder in the register of members of Bullseye at the Register Date, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer; and
- (b) any other Eligible Shares to which you are able to give good title at the time you accept the Offer.

Xinhe means Hongkong Xinhe International Investment Company Limited (Company no 1650198).

Xinhu Zhongbao means Xinhu Zhongbao Co., Ltd.

Xinhu Zhongbao Group means Xinhu Zhongbao and its Related Entities as at the date of this Bidder's Statement.

11.2 Interpretation

- (a) In this Bidder's Statement and in the Acceptance Form, headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a section or Annexure is a reference to a section of, or Annexure to, this Bidder's Statement.
 - (vi) A reference to a person includes the person's successors, permitted substitutes and permitted assigns (and, where applicable, the person's legal personal representatives).
 - (vii) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, any legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (viii) A reference to any instrument or document includes any variation or replacement of it.
 - (ix) A term not specifically defined in this Bidder's Statement has the meaning given to it in the Corporations Act (being, if any special meaning is given for the purposes of Chapter 6 or 6A of the Corporations Act or a provision of those chapters, that special meaning).
 - (x) A reference to time is to Perth, Australia time.
 - (xi) A reference to *dollars* or \$ is to Australian currency.
 - (xii) A reference to *US\$* is to the lawful current of the United States of America.
 - (xiii) A reference to £ is to pounds sterling, the lawful currency of the United Kingdom.
 - (xiv) A reference to you is to a person to whom the Offer under section 10 is (or is deemed to be) made.

12 Approval of the Bidder's Statement

This Bidder's Statement has been approved by a resolution of the sole director of Au Xingao Investment Pty Ltd (ACN 603 261 052).

Dated 23 February 2022.

Executed in accordance with section 127 of the Corporations Act 2001 by Au Xingao Investment Pty Ltd (ACN 603 261 052):

A handwritten signature in black ink, appearing to read 'Luke Huang', written in a cursive style.

Luke Huang
Sole Director

Corporate Directory

Bidder

Au Xingao Investment Pty Ltd
Level 61, 1 Farrer Place, Sydney NSW 2000

Contact Details in relation to the Offer

You can contact Citadel-MAGNUS at the addresses set out below:

(Bidder's Hotline)

+61 8 6160 4901

(Hotline Email)

mbenino@citadelmagnus.com

Au Xingao Investment Pty Ltd (ACN 603 261 052)
in relation to Bullseye Mining Limited (ACN 118 341 736)

**Second Supplementary Bidder's Statement and
Variation Notice pursuant to section 650D of the *Corporations
Act 2001* (Cth)**

Offer by Au Xingao Investment Pty Ltd to acquire all of your shares in Bullseye Mining Limited

1 Important Information

1.1 Supplementary Bidder's Statement and Notice

This document is a supplementary bidder's statement dated 3 March 2022 under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and a notice under section 650D of the Corporations Act to Bullseye Mining Limited (**Bullseye**), the Australian Securities and Investments Commission (**ASIC**) and all persons to whom offers were made in accordance with section 650D(1)(a) of the Corporations Act (**Notice**).

This is the second supplementary bidder's statement (**Second Supplementary Bidder's Statement**) issued by Au Xingao Investment Pty Ltd (**Bidder**) in relation to its off-market takeover offer for all of the ordinary shares in Bullseye Mining Limited (**Bullseye**) dated 3 March 2022.

This Second Supplementary Bidder's Statement supplements and is to be read together with the replacement bidder's statement dated 23 February 2022, which replaced the bidder's statement dated 14 February 2022 and first supplementary bidder's statement dated 23 February 2022 (collectively, the **Bidder's Statement**).

1.2 Lodgement with ASIC

A copy of this Second Supplementary Bidder's Statement and Notice were lodged with ASIC on 3 March 2022. Neither ASIC nor any of its officers take any responsibility for the contents of this Second Supplementary Bidder's Statement or Notice. This Second Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement.

1.3 Defined terms

Words and phrases defined in the Bidder's Statement have the same meaning in this Second Supplementary Bidder's Statement unless the context requires otherwise.

2 Increase in Offer Price

On 1 March 2022, the Bidder announced its intention to increase the Offer Price to \$0.35. The Bidder gives notice pursuant to section 650D that it varies the terms of the Offer pursuant to section 650(B)(1)(a) of the Corporations Act by increasing the Offer Price to **\$0.35 cash** for each Eligible Share.

Accordingly all references in the Bidder's Statement to '\$0.31', '\$0.31 cash per share increasing to \$0.35 cash per share', 'base price \$0.31' and 'the conditional offer price' (or similar) should be read on the basis that the Offer Price is \$0.35.

In accordance with section 650B(2) of the Corporations Act, Bullseye Shareholders who have already accepted the Offer will be entitled to receive the increased consideration offered under the revised Offer.

3 Due diligence condition

As at the date of this Second Supplementary Bidder's Statement, Bullseye has not complied with the terms of the defeating condition described in section 10.6(i)(i)(a)(1) of the Bidder's Statement (**Due Diligence Condition**).

The Bidder will not rely on the non-fulfilment of the Due Diligence Condition and will treat the Due Diligence Condition as having been satisfied if Bullseye provides the information to which the Due Diligence Condition relates within 10 Business Days of the date of the Offer. Bullseye may withhold from that information (without triggering the Due Diligence Information) any information

which relates directly to the Supreme Court proceedings referred to in section 4.5 of the Bidder's Statement.

4 Authorisation

This Second Supplementary Bidder's Statement and Notice has been approved by a resolution passed by the sole director of the Bidder.

Dated 3 March 2022



Luke Huang

Sole Director

For and on behalf of Au Xingao Investment Pty
Ltd